# INTRODUCTION

As individual we come across numerous product and services every day. Thus, different people hold different opinions about the same thinks and events. This is because each person has specific way of looking at things. Every individual thus has “perception” of the world around him or her. Perception is defined as “process by which the individual selects, organizes and interprets stimuli into a meaningful and coherent picture of world”. Customer perception is the opinions, feelings, and beliefs customers have about your brand. It plays an important role in building customer loyalty and retention as well as brand reputation and awareness. Regardless of their actual experience, customer perception is all about your brand and their interactions with you.

Hedge Group has evolved from its humble beginnings in 2008, to a leading specialist in the financial services sector in Kerala. Hedge Equities Ltd. is a part of Hedge group of companies, which was establishedin 2008. It is one of the leading retail stock broking houses. The company provides wide range of services in capital market, wealth management, investment products as well as NBFC services.

The study was to understand about the customer perception on various financial products and services in Kerala with special reference to Hedge Equities Ltd. The project entitled “A study on customer perception on various financial products and services in Kerala with special reference to Hedge Equities Ltd” is the research topic and 196 Hedge Equities customers were taken as sample. The study was conducted is to find the customer perception of the financial products and financial services provided by the company. The main antecedent of customer perception is product and service quality.

Customer perception encompasses a customer’s impression, awareness or consciousness about a company or its offering. The customer collects information about a product and interprets the information to make a meaningful image of a particular product. The entire process of customer perception starts when a consumer sees or get the information about the product and services. This process continues until the customer starts to build an opinion about the product and services.

# STATEMENT OF THE PROBLEM

Based on various surveys it’s been found that through 50% of income earners invest upto 20% of their income in various platforms but are not aware of the difference between savings and investment. As we know financial products are intangible in nature it is very difficult to create customer perception. According to the report conducted by the Global Financial Literacy Excellence Center, only 24 percentage of adult population in India are literate about financial products.

If the customer is aware about the various financial product and services it helps them to take an informed decision. This study is focused to understand the customer perception on various financial products and services in Kerala with special reference to Hedge Equities Ltd.

# OBJECTIVES OF THE STUDY

1. To understand the income, savings and spending habits among the customers of financial products and financial services
2. To study the perception towards various financial products and financial services

# SIGNIFICANCE OF THE STUDY

This study aspires to be one of the first in examining customers behaviour towards financial products. To achieve this, this study aims to understand customers perceptions towards the financial products and their knowledge in financial services and their products. Furthermore, it is known that customer perceptions positively affect financial performance. People purchase financial services with different benefits, resulting in diverse levels of behaviour and satisfaction essential in reinforcing trust, commitment, and purchase intentions.

# SCOPE OF THE STUDY

The study makes an attempt to understand the industry in general and the Hedge equities in particular. The company can provide valuable suggestions to the management for the improvement of the organizations. The study makes on the topic of customer perception will reveal the factors regarding the feelings of customers. The study mainly concentrates on the analysis customer perception towards financial products for investments among different generations in Kerala.

* + - The study confines only to financial products or financial assets used investment such as bank deposits, life insurance, equity, mutual funds, debt instruments, commodities, pension plans etc.
		- The respondent profile belongs to professionals working in different Industries in Kerala

# INDUSTRY PROFILE Background Of Indian Economy

The Reserve Bank of India (RBI) was founded in 1935 under the Reserve Bank of India Act “to regulate the issue of Bank Notes and keeping the reserves with a view to securing monetary stability in India and generally to operate the credit and currency system of the country to its advantage.” Apart from being the central bank and monetary policy authority, the RBI is the regulator of all banking activity, including non-banking financial companies, manager of statutory reserves, debt manager of the government, and banker to the government.

At the time of independence in 1947, India had 97 scheduled private banks, 557 “non- scheduled” (small) private banks organized as joint stock companies, and 395 cooperative banks. Thus, at the time of India’s independence, the organized banking sector comprised three major types of players, viz., the Imperial Bank of India, joint- stock banks (which included both joint stock English and Indian banks) and the foreign owned exchange banks. The decade of 1950s and 1960s was characterized by limited access to finance of the productive sector and a large number of banking failures. Such dissatisfaction led the government of left-leaning Prime Minister (and then Finance Minister) Mrs. Indira Gandhi to nationalize fourteen private sector banks on 20 July 1969; and later six more commercial banks in 1980. Thus, by the early 1980's the Indian banking sector was substantially nationalized, and exhibited classical symptoms of financial repression, high pre-emption of banks investible resources (with associated effects of crowding out of credit to the private sector), subject to an intricate cobweb of administered interest rates, and accompanied by quantitative ceilings on sectoral credit, as governed by the Reserve Bank of India.

Besides the commercial banks, there were four other types of financial institutions in the Indian financial sector: development finance institutions (DFIs), co-operative banks, regional rural banks and post-offices.

Over the 1950s and 1960, in the absence of effective capital markets, a network of DFIs was established over much of the developing world, usually encouraged by external aid agencies. The sources of funds of these DFIs were diverse but raised primarily from the domestic bond market, from multilateral institutions like the World Bank, refinance

window of the RBI, and government budgetary provisions. But by the 1990s, with stoppage of refinance from the RBI and government budgetary provisions, and accumulation of nonperforming assets, it became clear that the DFIs would not be viable in the long run. Consequently, the IDBI and ICICI have been converted into commercial banks, and the IFCI is effectively non-functional. NABARD, the NHB and SIDBI are continuing largely as refinance institutions with support from the government. As of 2015, there are 1,579 urban co-operative and 94,178 rural cooperative banks. A majority of these banks tend to operate in a single state, and they are regulated and supervised by state-specific Registrars of Cooperative Societies (RCS), along with overall oversight by the Reserve Bank of India. Thus, there has been dual control of regulation and supervision of co-operative banks between the state-specific RCSs and the RBI, which has often been problematical. They have also suffered from governance problems along with the incidence of frequent local political interference which has hampered the effectiveness of these banks. There have also been slow to modernize.

# The Insurance Sector Since The 1990s: Opening Up The Doors

A high-powered committee, set up in 1993 by the Government of India and headed by former RBI Governor, R. N. Malhotra, initiated the reforms process in the Indian insurance sector. Apart from opening up the insurance sector to private players - both to domestic and foreign players (preferably through joint ventures with Indian partners), the Committee recommended establishment of the Insurance Regulatory and Development Authority (IRDA) as an autonomous body to regulate, develop and promote competition in the insurance sector. The IRDA was finally constituted as an autonomous body in 1999 and incorporated as a statutory body in April 2000. The mission of IRDA is "to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto.” With the enactment of the IRDA Act, 1999, the monopoly conferred to the Life Insurance Corporation in 1956 and to the General Insurance Corporation in 1972 was repealed, allowing private sector players to enter the insurance sector. A recent development in the insurance sector has been enhancement of the limit of foreign investment in insurance sector from 26 to 49 percent under the automatic route.

As of March 2015, this sector comprised 24 life insurance companies and 28 general insurance companies, and one national reinsurer. Among the life insurers, the Life Insurance Corporation (LIC) as the sole public sector company accounts for the lion’s share in insurance business. Among the non-life insurers there are six public sector insurers. In addition to these, there is the sole national re-insurer, namely, General Insurance Corporation of India (GIC). Out of 28 non-life insurance companies, there are five private sector players dealing exclusively in health, personal accident and travel insurance segments. With about 360 million policies, India's life insurance sector is perhaps the biggest in the world in terms of number - reflecting India's population size. Although the insurance sector initially experienced robust growth (around 31% in new business premiums) in the decade of 2001-2010 after opening up, there has been a slowdown subsequently (KPMG, 2012). This sluggish growth brings to the fore various challenges in Indian insurance business. Though its share in total business has indeed come down the insurance sector is still dominated by the public sector. Illustratively, in2014-15 the share of LIC in total premium was around 73%, in case of non- life insurance business, the private and public sector companies have approximately equal share. The share of the life insurance fund as a proportion of changes in gross financial assets of the household sector have gone up significantly and tended to hover around 20% in recent years. The current issues facing Indian insurance are diverse. The key issue is the need for much greater expansion of insurance services, particularly that of life insurance and health insurance. Apart from the need for better spread of social protection, the expansion of insurance funds is also essential for the development of capital markets, particularly the corporate debt market which is typically dependent in institutional investors. Other issues include the efficiency and spread of distributional channels, the level of government control, regulatory constraints, and consumer education and protection.

# EVOLUTION OF FINANCIAL PRODUCT

The digital revolution is changing the landscape of the financial services industry at an unprecedented rate. The emergence of fintech (or financial technology) has fuelled the development of a wide range of new digital financial products and services (DFS). While their emergence can be related to the recent fintech movement, it is important to

point out that the financial industry has a long history of reliance on technology. The industry has always been one of the prime users of technology-driven solutions, at least in developed markets (Arner, Barberis, & Buckley, 2016).

Technological advancements have transformed financial institutions’ internal operations, from processing transactions to managing risks. Historically, they have also driven the digitalization of financial services and products. The introduction of the Automatic Teller Machine (ATM) in the late 1960s marked the beginning of digital innovations in financial services. The emergence of the Internet in the 1990s took this evolution to the next level, especially in the developed world where regulated financial institutions increasingly offered online banking services (Arner, Barberis, & Buckley, 2016). In an ever-evolving digital environment, the financial services sector is currently witnessing another surge in innovations that is revolutionizing the industry. A fintech era has emerged that is characterized not only by a variety of new digital financial solutions, but also by a wide range of new service providers. Beyond traditional banks, financial institutions, advisor and planning firms, new market players now include technology firms, fintech’s, start-up companies, mobile network operators (MNOs), among many others. In addition, the recent COVID-19 pandemic has amplified the need for digital finance and further accelerated the expansion of DFS. Around the world, there has been a dramatic increase in individuals and businesses using the internet and/or mobile devices to make payments and transfers, deposit and save money, finance and borrow, manage risks, and more recently, access financial and investment advice (GSMA, 2020; Mas, 2018). Mobile money, digital currencies, robot-advisors, crowdfunding, and peer-to-peer payments are just a few examples of the new DFS that have recently gained momentum. Developing economies such as China, India, and Kenya have “leapfrogged” ahead of most others when it comes to harnessing the power of DFS (Lyons, Kass-Hanna, & Fava, 2021; Kass-Hanna et al., 2021; Sapovadia. 2018). Non-bank, technology-enabled innovators (e.g., fintechs and MNOs) have been the driving force in developing countries. They have leveraged growing mobile and internet penetration rates to offer more convenient and affordable financial products and services that serve as strong competitors to those offered by traditional providers. In contrast, the banking sector has led the shift to digitalization in advanced economies (AFI, 2019). Non-bank market players have only recently been involved in the digital

transformation of financial services. The 2008 Global Financial Crisis was a turning point. Following the crisis, consumers’ trust in traditional financial institutions fell dramatically. On the firm side, regulatory reforms burdened the banks and made lending difficult and expensive for them. While banks were focused on complying with new regulatory requirements, tech companies and start-ups were able to enter the market by offering financial services at lower costs and more efficiently (Arner et al., 2015; IFC, 2017). These new non-bank players have thrived and experienced rapid growth, as customers have quickly developed more trust and ease with Tec based financial solutions (AFI, 2019; IFC, 2017). Traditional financial institutions have responded to rising competition by acquiring or cooperating with fintech start-ups (e.g., alliances, outsourcing of DFS) and/or by investing heavily in fintech innovations internally (Clavijo, Vera, Beltran, & Londoño, 2019; Sahay et al., 2020). There has also been the emergence of digital-only financial institutions. 3 Globally, the development of DFS has created opportunities to expand financial inclusion and reach wider segments of the population that have been unserved or underserved by traditional financial service providers. The promise of greater inclusion through DFS has been strengthened by the COVID-19 crisis. At the same time, the crisis also raised great awareness about the potential risks. These have included concerns that the transition to DFS might be widening gaps and exacerbating financial exclusion for vulnerable groups that could be left behind, especially those with lower socioeconomic status and limited digital skills. The consequences of not being able to fully participate in the new digital financial system can exacerbate existing financial fragilities and limit one’s ability to build financial resilience and long-run financial security.

# FINANCIAL INTERMEDIARIES IN CAPITAL MARKET

**Bond / Debt Market**

Traditionally the bond market is differentiated on the basis of ownership government bonds and corporate bonds. The story of Government bond market is intimately interlinked with the evolution of fiscal policy in India. A system of unbridled deficit financing via fixed coupon ad-hoc Treasury bill market has been transformed into a market driven auction process in electronic platform by late 1990s. Institutionally, creation of primary dealers (PDs) to function as market makers (both in primary and secondary markets) in government bond market since 1995 is a major development in

this sector. With increased volume of transactions liquidity in this market have increased.

# Equity Market

The Indian equity market has undergone a radical transformation since the initiation of financial sector reforms since the early 1990s. The reform measures were aimed at,

(i) creating growth-enabling institutions; (ii) boosting competitive conditions in the equity market through improved price discovery mechanism; (iii) putting in place an appropriate regulatory framework; (iv) reducing the transaction costs; and (v) reducing information asymmetry, thereby boosting the investor confidence" (RBI, 2007).

A key reform this respect repealing of the Capital Issues (Control) Act, 1947 in 1992 whereby the process of raising capital from the market has been liberalized. Nevertheless, after the capital market scandal of 1992, a regulatory structure was put in place gradually. Illustratively, the norms for public issues were made stringent in April 1996, and there was substantial improvement in disclosure requirement. Several other initiatives were also undertaken, such as, introduction of the option of raising resources through fixed price mechanism or the book building process; on-line screen based electronic trading with gradual move towards a two-day (T+2) settlement; establishment of National Securities Depository Ltd. (NSDL) in 1996 and Central Depository Services (India) Ltd. (CSDL) in 1999 enabling paperless trading; and introduction of trading in derivatives such as stock index futures, stock index options and futures and options (RBI, 2007).

The success story of the Indian equity market has been driven by two major institutions, both established under government Securities and Exchange Board of India (SEBI) and the National Stock Exchange (NSE). While SEBI, the securities market regulator, was established in 1988, it was given statutory powers in April 1992 through the SEBI Act, 1992, which set out its basic functions as, "to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto." Thus, SEBI is the overall capital market regulator charged with the orderly functioning of the securities market.

# Mutual Funds (MFs)

A mutual fund is a mechanism for pooling resources by issuing units to investors and then investing funds in securities, in both equity and debt. The MFs as a group have tended to play played a very important role in the Indian capital market. During 1963 - 1988, the Unit Trust of India (UTI) had a monopoly in the MF industry and its assets under management grew to about Rs. 67 billion by 1988. The reform process of the MF industry started in 1988 when non-UTI, public sector mutual funds set up by public sector banks, the LIC and the GIC entered the market. Subsequently, private sector funds were allowed to enter the MF industry in 1993. The issuance of the SEBI (Mutual Fund) Regulations in 1996 paved the way for further operational freedom for the players in the MF industry. By January 2003, there were 33 mutual fund companies with total assets of Rs. 1.2 trillion- of which the UTI's share was little more than one- third.

The US-64 scheme of the UTI ran into difficulty in 2001, which resulted in the next rounds of reforms. The UTI was bifurcated into two separate entities - one broadly representing the assets of the then US-64 scheme, assured return and certain other schemes, and the other called the UTI Mutual Fund (sponsored by select public sector banks and the LIC) which operates like any other MF. As of March, 2016, there were 44 asset management companies in the country with assets under management (AUM) of around Rs. 13.5 trillion (or 10% of GDP), which though high, is far below the deposits of the commercial banks (at about Rs. 99 trillion or 73% of GDP) (ICRA, 2016). In terms of net inflows, the share of private sector MFs far exceeded that of public sector MFs. While the growth in the MF industry has been shared both by debt- oriented schemes as well as equity-oriented schemes, MFs in recent past have shown a preference for debt-oriented schemes. Interestingly, the share of the retail investors (includes the retail and high net-worth individuals) of AUM of the MFs was 48.5% with the rest (51.5%) coming from the institutional investors (includes corporates, Banks). In a country where direct investments by households in equity and debt market are meagre, MFs have a huge potential to grow.

# Pension Funds

India, like most of the developing economics, does not have a universal social security system and the pension system has largely catered to the organized segment of the

labour force. While, till recently, public sector / government employees typically had a three- fold structure comprising provident fund, gratuity and pension schemes, the bulk of the private sector (with the sole exception of the major corporates) had access only to provident funds, a defined-contribution, fully funded benefit program providing lump sum benefits at the time of retirement. The Employees’ Provident Fund (EPF) is the largest benefit program operating in India. Reflecting this state of affairs, the significance of pension funds in the Indian financial sector has been rather limited. In terms of size India’s pension funds stood at 0.3% of its GDP, as against China's 1% or Brazil's 13% (OECD, 2015).

The pension funds sector has undergone significant reforms. In recognition of the possibility of an unsustainable fiscal burden in the future, the Government of India moved from a defined-benefit pension system to a defined-contribution pension system, called the "New Pension System" (NPS) in January 2004. While the Government constituted an interim regulator, the Interim Pension Fund Regulatory and Development Authority (PFRDA) to regulate the pension sector in 2003, it finally started functioning as a statutory regulator for the NPS in 2014. As of March 2016, there were 8.7 million subscribers with assets under management (AUM) amounting to Rs. 1.18 trillion. Under the present scheme, a subscriber has the option to select any one of the 8 pension funds, which are primarily floated by public sector banks and/or insurance companies. Considering the fact that India's population is around 1.25 billion in which the share of the old (i.e., 60 years and above) is around 10%, pension funds in India have, in principle, a large potential - both as a social security measure as well as means to providing a depth to the financial markets, in both debt and equity market segments. Going forward, pension funds will emerge as sources of funds in infrastructure and other projects with long gestation period, as well as for providing depth to the equity market.

# FINANCIAL SERVICES

In general, all types of activities which are of financial nature may be regarded as financial services. In a broad sense, the term financial services means mobilisation and allocation of savings. Thus, it includes all activities involved in the transformation of savings into investment. Financial services refer to services provided by the finance

industry. The finance industry consists of a broad range of organisations that deal with the management of money. These organisations include banks, credit card companies, insurance companies, consumer finance companies, stock brokers, investment funds and some government sponsored enterprises. Financial services may be defined as the products and services offered by financial institutions for the facilitation of various financial transactions and other related activities. Financial services can also be called financial intermediation. Financial intermediation is a process by which funds are mobilised from a large number of savers and make them available to all those who are in need of it and particularly to corporate customers. There are various institutions which render financial services. Some of the institutions are banks, investment companies, accounting firms, financial institutions, merchant banks, leasing companies, venture capital companies, factoring companies, mutual funds etc. These institutions provide variety of services to corporate enterprises. Such services are called financial services. Thus, services rendered by financial service organisations to industrial enterprises and to ultimate consumer markets are called financial services. These are the services and facilities required for the smooth operation of the financial markets. In short, services provided by financial intermediaries are called financial services.

Financial services are the economic services provided by the finance industry, which encompasses a broad range of businesses that manage money, including credit unions, banks, credit-card companies, insurance companies, accountancy companies, consumer-finance companies, stock brokerages, investment funds, individual managers and some government-sponsored enterprises. Financial services companies are present in all economically developed geographic locations and tend to cluster in local, national, regional and international financial centers such as London, New York City, and Tokyo. In general, all types of activities, which are of a financial nature, could be brought under the term ‘financial services. The term financial services in a broad sense mean “mobilizing and allocating savings”. Thus, it includes all activities involved in transformation of savings into investment. Financial services can also be called‘financial intermediation’.

# Functions of financial services

1. Facilitating transactions (exchange of goods and services) in the economy.
2. Mobilizing savings (for which the outlets would otherwise be much more limited).
3. Allocating capital funds (notably to finance productive investment).
4. Monitoring managers (so that the funds allocated will be spent as envisaged).
5. Transforming risk (reducing it through aggregation and enabling it to be carried by those more willing to bear it).

# Characteristics or Nature of Financial Services

From the following characteristics of financial services, we can understand their nature:

# Intangibility

Financial services are intangible. Therefore, they cannot be standardized or reproduced in the same form. The institutions supplying the financial services should have a better image and confidence of the customers. Otherwise, they may not succeed. They have to focus on quality and innovation of their services. Then only they can build credibility and gain the trust of the customers.

# Inseparability

Both production and supply of financial services have to be performed simultaneously. Hence, there should be perfect understanding between the financial service institutions and its customers.

# Perishability

Like other services, financial services also require a match between demand and supply. Services cannot be stored. They have to be supplied when customers need them.

# Variability

In order to cater a variety of financial and related needs of different customers in different areas, financial service organisations have to offer a wide range of products and services. This means the financial services have to be tailor-made to the requirements of customers. The service institutions differentiate their services to develop their individual identity.

# Dominance of human element

financial services are labour intensive. quality financial products. Financial services

are dominated by human element. Thus, It requires competent and skilled personnel to market.

# Information based

Financial service industry is an information based industry. It involves creation, dissemination and use of information. Information is an essential component in the production of financial services.

# Importance of financial services:

Financial service is a part of the financial system which provides different types of finance through various credit instruments, financial products, and services. Financial services create more demand for products, in order to meet the demand from the consumers who are looking for more investment options. Presence of financial services enables a country to improve its economic condition. Economic growth is reflected on the people by the higher standard of living. Financial services enable individual to acquire various consumer products through hire purchase, factoring or other means.

Financial services such as mutual fund enable individuals to get more opportunity for the different type of saving options which can assure them a reasonable return on investments. When it comes to raising the capital or promoting investment, merchant banker will come through new issue market and mobilizing more funds. Presence of insurance companies enables producers to minimize their risk which is caused by fluctuating business conditions and natural calamities. Businesses can acquire various types of financial assets which enable them to maximize their returns. For example, various factoring companies enable the produces and seller to increase their turnover and profit. The successful functioning of any financial system depends upon the range of financial services offered by financial service organisations. The importance of financial services may be understood from the following points:

# Economic growth

The financial service industry mobilises the savings of the people, and channels them into productive investments by providing various services to people in general and corporate enterprises in particular. In short, the economic growth of any country depends upon these savings and investments.

# Promotion of savings

The financial service industry mobilises the savings of the people by providing transformation services. It provides liability, asset and size transformation service by providing huge loan from small deposits collected from a large number of people. In this way financial service industry promotes savings.

# Capital formation

Financial service industry facilitates capital formation by rendering various capital market intermediary services. Capital formation is the very basis for economic growth.

# Creation of employment opportunities

The financial service industry creates and provides employment opportunities to millions of people all over the world. 5. Contribution to GNP: Recently the contribution of financial services to GNP has been increasing year after year in almost countries. 6. Provision of liquidity: The financial service industry promotes liquidity in the financial system by allocating and reallocating savings and investment into various avenues of economic activity. It facilitates easy conversion of financial assets into liquid cash.

# FINANCIAL SERVICES IN INDIA HISTORY AND TRENDS

The financial services sector in India, which accounts for 6 percent of the nation’s GDP, is growing rapidly. Although the sector consists of commercial banks, development finance institutions, nonbanking financial companies, insurance companies, cooperatives, mutual funds, and the new “payment banks,” it is dominated by banks, which holds over 60 percent share.

The Reserve Bank of India (RBI) is the apex bank of the country, controlling all activities in the financial sector. Commercial banks include public sector and private sector banks and are under the regulatory supervision of the RBI. Development finance institutions include industrial and agriculture banks.

Non-banking finance companies (NBFC) provide loans, purchase stocks and debentures, and offer leasing, hire purchase, and insurance services.

Insurance companies function in both public and private sectors and are controlled by the Insurance Regulatory and Development Authority (IRDA). India also has a vibrant capital market with stocks exchanges controlled by the Securities and Exchange Board

of India (SEBI).

According to “India in Business,” a website of the Union Government, India’s banking sector assets were worth $1.8 trillion in the 2014-15 financial year.

According to a report by KPMG-CII, India’s banking sector is on the way to becoming the fifth largest in the world by 2020. The country’s life insurance sector is the biggest in the world, and the market size is expected to touch about $400 billion by 2020.

The assets of the mutual fund industry are worth $190 billion. The pension corpus fund is projected to record $1 trillion by 2025. Reforms to put the financial services industry and the economy on the fast track include measures to make finance available to medium, small, and micro industries.

India once had a heavily government-dominated financial services industry, and most services were provided by nationalized banks. Financial sector reforms were initiated in 1991 with the aim of accelerating economic growth. In the following years, industry and service sectors were opened for foreign direct investment. The reforms ended the dominance of the public sector and reduced direct government control on industrial investments. Financial sector reforms in India have improved resource mobilizations and allocation. The liberalization of interest rates and the easing of cash reserve norms have helped make funds available to various sectors.However, prudential norms have been tightened and transparency and regulation increased to avoid a systemic collapse that other countries have suffered.

# BANKING FINANCIAL SERVICES

Banking is an essential part of every successful business. It is important to know what the benefits and services are of your banking institution so you can make the most out of your business income. There are two types of banking activities, they are

* Commercial banking services
* Investment banking services

Commercial banks are typically in the business of taking deposits and making loans using their own capital. Such loans are offered to both businesses and individuals, and there are a number of related activities in support of the commercial banking product.

Investment banks provide services and advice to corporations, investors, and other individuals or institutions.

# FINANCIAL INTERMEDIARY

A financial intermediary is an entity that acts as th[e middleman](https://www.investopedia.com/terms/m/middleman.asp) between two parties in a financial transaction, such as a [commercial bank](https://www.investopedia.com/terms/c/commercialbank.asp), [investment banks](https://www.investopedia.com/terms/i/investmentbank.asp), [mutual funds](https://www.investopedia.com/video/play/introduction-mutual-funds/) and [pension funds.](https://www.investopedia.com/terms/p/pensionplan.asp) Financial intermediaries offer a number of benefits to the average consumer, including safety, [liquidity,](https://www.investopedia.com/terms/l/liquidity.asp) and [economies of scale](https://www.investopedia.com/terms/e/economiesofscale.asp) involved in [commercial banking,](https://www.investopedia.com/video/play/commercial-bank/) [investment banking](https://www.investopedia.com/terms/i/investment-banking.asp) and [asset management.](https://www.investopedia.com/terms/a/assetmanagement.asp) Although in certain areas, such as investing, advances in technology threaten to eliminate the financial intermediary, disintermediation is much less of a threat in other areas of finance, including banking and insurance. Financial intermediaries move funds from parties with excess capital to parties needing funds. The process creates efficient markets and lowers the cost of conducting business. For example, a financial advisor connects with clients through purchasing insurance, [stocks,](https://www.investopedia.com/terms/s/stock.asp) [bonds](https://www.investopedia.com/terms/b/bond.asp), real estate, and other assets. Banks connect borrowers and lenders by providing capital from other [financial institutions](https://www.investopedia.com/terms/f/financialinstitution.asp) and from the Federal Reserve. Insurance companies collect premiums for policies and provide policy benefits. A pension fund collects funds on behalf of members and distributes payments to pensioner Through a financial intermediary, savers can pool their funds, enabling them to make large investments, which in turn benefit the entity in which they are investing. At the same time, financial intermediaries pool risk by spreading funds across a diverse range of investments and loans. Loans benefit households and countries by enabling them to spend more money than they have at the current time. Financial intermediaries also provide the benefit of reducing costs on several fronts. For instance, they have access to economies of scale to expertly evaluate the credit profile of potential borrowers and keep records and profiles cost-effectively. Last, they reduce the costs of the many financial transactions an individual investor would otherwise have to make if the financial intermediary did not exist.

# FINANCIAL INSTITUTION

A financial institution (FI) is a company engaged in the business of dealing with financial and monetary transactions such as deposits, loans, [investments](https://www.investopedia.com/articles/basics/11/3-s-simple-investing.asp), and currency exchange. Financial institutions encompass a broad range of business operations within the financial services sector including banks, trust companies, insurance companies, brokerage firms, and investment dealers. Virtually everyone living in a developed economy has an ongoing or at least periodic need for the services of financial institutions.

Financial institutions serve most people in some way, as financial operations are a critical part of any economy, with individuals and companies relying on financial institutions for transactions and investing. Governments consider it imperative to oversee and regulate banks and financial institutions because they do play such an integral part of the economy. Historically, bankruptcies of financial institutions can create panic.

Financial institutions, as the name implies, are entities that deal in finances. They offer a wide range of monetary or financial services to individuals and businesses. From helping individuals save money to enabling them to invest in stocks, such institutions serve different functions simultaneously.

There are various types of financial institutions to fulfill different requirements of customers. They look into the customer’s financial needs, be it an individual or a company, and offer relevant services. These entities provide customers with valuable pieces of advice while choosing appropriate financial investment or savings options. The professionals explain the pros and cons of each alternative for their customers to decide which investment they should spend on.

The national and international financial institutions have a great role in ensuring a healthy economy. With the give and take of the monetary resources, the flow of transactions remains balanced, which keeps the economy going. Moreover, such entities in the nation make the market liquid, triggering more economic activities in the respective countries. Therefore, any damage to these financial entities can have a direct negative impact on the economic health of the nation.

# Types of Financial Institutions

There is a wide range of such institutions operating around the world. However, the commonly identified types are as follows:

# Central Banks

These are the financial entities that monitor and oversee the procedures of the other financial or banking institutions in the nation. They do not deal with individual customers directly. Instead, they finance other retail banks. In short, these are banks for the banks. Every economy has a separate central bank and is named differently. For example, in the United States, the Federal Reserve Bank is the central bank.

# Commercial Banks

Retail and [commercial banks](https://www.wallstreetmojo.com/commercial-bank/) are widely available to serve the financial needs of individuals and businesses. From depositing money to borrowing amounts to buy property, these banks act as saviors for people in need to secure their future financially. Some of the products that these banks offer include savings accounts, personal loans, mortgage loans, certificates of deposits (CDs), credit cards, etc.

# Non-Banking Institutions

Non-banking financial institutions (NBFIs) are entities that neither acquire a valid banking license nor do they allow customers to deposit amounts. However, these entities can offer alternative financial facilities to customers, including investment, consultation, brokerage, transmission, and risk pooling services.

# Credit Unions

The institutions offer traditional banking services but are not publicly traded entities. They are established and operated by the members, the ultimate shareholders. These associations use and reinvest the money received as an interest to keep the costs low. As a result, they become the better choices for members to fulfill their financial needs. These entities enjoy tax-exempt status as [not-for-profit organizations.](https://www.wallstreetmojo.com/not-for-profit-organization/)

# Investment Entities

The investment banks and brokerage firms fall under this non-depository category. The investment firms help corporations, governments, and other entities build capital, raise funds, and gain financial advice. These entities, as brokerage ventures, let customers acquire finances by investing in securities, like stocks, [mutual funds](https://www.wallstreetmojo.com/mutual-funds/), bonds, and exchange-traded funds (ETFs). In addition, it acts as a guide to startups or companies in conducting complex transactional processes. They also offer advice for initiating fruitful mergers and acquisitions (M&A).

# Thrift Institutions

Also referred to as savings and loan associations, these entities allow up to 20% of total lending to customers, who are also their owners. They help individuals enjoy opening accounts and acquiring personal loans and home mortgages.

# Insurance Companies

These financial institutions allow individuals and businesses have policies against monthly premiums, which they are subject to pay at regular intervals. In addition, these schemes offer coverage or protection to assets against any [financial risk](https://www.wallstreetmojo.com/financial-risk/) they remain exposed to.

# Functions

Though the financial institutions aim to ensure a healthy economy, there are other minor and major roles they play to ensure they achieve their final goal. Financial institution functions are;

* Banking services
* Investment advice
* Capital formation
* Catalyse economic growth
* Easy fund transfers
* Manage financial risk
* Regulate money supply

The primary function of these institutions is to regulate the money supply. With the regular flow of money, the financial entities keep the financial ecosystem active. The money supply process must be efficient, given the wide use of money in carrying out transactions.

One of the most common functions of these institutions is banking and investment services. They serve individual customer needs, be it a person or a business. They allow them to deposit their money, save it, earn interest, and invest further. In addition, as a non-banking institution, they also offer consultation facilities to customers and help them know the pros and cons of investing in a financial product, be it stocks, [bonds](https://www.wallstreetmojo.com/bonds/), ETFs, mutual funds, etc.

For startups, their investment advice works and helps them build huge capital by opting for [Initial Public Offering](https://www.wallstreetmojo.com/initial-public-offering-ipo/) (IPO) to raise sufficient funds. Moreover, by keeping the financial ecosystem active, these institutions ensure being ready to manage any financial risk and foster the [economic growth](https://www.wallstreetmojo.com/economic-growth/) of a nation.Above all, in this era of internet banking, financial entities make transferring funds from one account to another online easy, smooth, and safe.

# FINANCIAL MARKETS

Financial markets refer broadly to any marketplace where the trading of securities occurs, including the stock market, bond market, forex market, and derivatives market, among others. Financial markets are vital to the smooth operation of capitalist economies.

Financial markets play a vital role in facilitating the smooth operation of [capitalist](https://www.investopedia.com/articles/investing/102914/main-characteristics-capitalist-economies.asp) [economies](https://www.investopedia.com/articles/investing/102914/main-characteristics-capitalist-economies.asp) by allocating resources and creating liquidity for businesses and entrepreneurs. The markets make it easy for buyers and sellers to trade their financial holdings. Financial markets create securities products that provide a return for those who have excess funds (Investors/lenders) and make these funds available to those who

need additional money (borrowers).

The stock market is just one type of financial market. Financial markets are made by buying and selling numerous types of financial instruments including equities, bonds, currencies, and derivatives. Financial markets rely heavily on informational transparency to ensure that the markets set prices that are efficient and appropriate. The market prices of securities may not be indicative of their intrinsic value because of macroeconomic forces like taxes.

# Types of financial market

A financial market is a place, or an exchange were buying and selling of financial securities such as stocks, bonds, currencies, etc. take place. It’s a broad term and includes various types of markets where money can be borrowed at a low cost by companies requiring investment. Investors often trade in securities to earn profit be it in the long term or short term. Depending upon the economy, millions of dollars of money are traded daily in the financial market. For example, the New York Stock Exchange (NYSE), National Stock Exchange (NSE), etc.

These financial markets are regulated by independent regulatory bodies with strict rules and regulations. They have stringent and mandatory reporting and compliance standards. Any violation by companies, investors, brokers, banks, financial institutions, or any other authorized bodies, can lead to heavy penalties and in extreme cases cancellation of license.

# Money Market

[Money Market](https://www.wallstreetmojo.com/money-market/) is a type of financial market for lending or borrowing short term loans with a maturity of less than 1 year. The players are usually corporates, banks, and financial institutions as a huge amount of money is involved. The instruments dealt in the money market are Treasury Bills, Commercial Papers, [Certificate of Deposit](https://www.wallstreetmojo.com/certificate-of-deposit-cd/), Bills of exchange, etc.

# Capital Market

[Capital Market](https://www.wallstreetmojo.com/money-market-vs-capital-market/) is a type of financial market for the trading of stocks (shares) and bonds. This market is used for lending or borrowing money for the long term. Capital markets are further split into the primary and secondary markets. The companies issue shares in

the form of equity or preference shares or fixed interest-bearing bonds in the primary market. Once the shares are issued, the investors subscribe to them at a lower price and later sell them to another investor at a higher price to earn profit in the secondary market.

# Derivatives Market

Derivatives Market is a type of financial market which deals with trading of [Futures,](https://www.wallstreetmojo.com/futures-vs-options/) [Options](https://www.wallstreetmojo.com/futures-vs-options/), Forward contracts and swaps. They can be dealt with either over the counter or in exchange-traded derivatives. Derivatives derive their value from the underlying asset and are used to [manage financial risk](https://www.wallstreetmojo.com/financial-risk/) due to a change in price.

# Commodity Market

[Commodity Market facilitates the trading of commodities](https://www.wallstreetmojo.com/commodity-market/) like gold, oil, wheat, rice, etc. There are around 50 major commodity markets all over the world.

# Foreign Exchange Market

Foreign Exchange Market facilitates the trading of currencies. These markets are operated through financial institutions and determine foreign exchange prices for every currency.

# Spot Market

Spot Market is [a market where transactions are done on spot](https://www.wallstreetmojo.com/spot-market/) and in cash only.

# MONEY MARKET

Financial instruments with short term maturity up to 1 year, used as tools for raising capital by the issuer are known as money market instruments.These are debt securities that offer a fixed interest rate and are generally unsecured. There is no collateral backing up the security, and the risk of non-repayment is theoretically high. However, money market instruments have a high credit rating ensuring that issuers don’t default, which makes them a go-to avenue for investors looking for options to park their money for the short term and earn fixed returns on the same. Features of Money Market Instruments

# High Liquidity

One of the key features of these financial assets is high liquidity offered by them. They generate fixed-income for the investor and short term maturity make them highly liquid. Owing to this characteristic money market instruments are considered as close substitutes of money.

# Secure Investment

These financial instruments are one of the most secure investment avenues available in the market. Since issuers of money market instruments have a high credit rating and the returns are fixed beforehand, the risk of losing your invested capital is minuscule.

# Fixed returns

Since money market instruments are offered at a discount to the face value, the amount that the investor gets on maturity is decided in advance. This effectively helps individuals in choosing the instrument which would suit their needs and investment horizon.

# Purpose

1. **Maintains Liquidity in the Market**

One of the most crucial functions of the money market is to maintain liquidity in the economy. Some of the money market instruments are an important part of the monetary policy framework. RBI uses these short-term securities to get liquidity in the market within the required range.

# Provides Funds at a Short Notice

Money Market offers an excellent opportunity to individuals, small and big corporations, banks of borrowing money at very short notice. These institutions can borrow money by selling money market instruments and finance their short-term needs.It is better for institutions to borrow funds from the market instead of borrowing from banks, as the process is hassle-free and the interest rate of these assets is also lower

than that of commercial loans. Sometimes, commercial banks also use these money market instruments to maintain the minimum cash reserve ratio as per the RBI guidelines.

# Utilisation of Surplus Funds

Money Market makes it easier for investors to dispose off their surplus funds, retaining their liquid nature, and earn significant profits on the same. It facilitates investors’ savings into investment channels. These investors include banks, non-financial corporations as well as state and local government.

# Aids in Financial Mobility

Money Market helps in financial mobility by allowing easy transfer of funds from one sector to another. This ensures transparency in the system. High financial mobility is important for the overall growth of the economy, by promoting industrial and commercial development.

# Helps in monetary policy

A developed money market helps RBI in efficiently implementing monetary policies. Transactions in the money market affect short term interest rate, and short-term interest rates gives an overview of the current monetary and banking state of the country. This further helps RBI in formulating the future monetary policy, deciding long term interest rates, and a suitable banking policy.

# Types of Money Market Instruments

1. **Treasury Bills (T-Bills)**

Treasury bills or T- Bills are issued by the Reserve Bank of India on behalf of the Central Government for raising money. They have short term maturities with highest upto one year. Currently, T- Bills are issued with 3 different maturity periods, which are, 91 days T-Bills, 182 days T- Bills, 1 year T – Bills.T-Bills are issued at a discount to the face value. At maturity, the investor gets the face value amount. This difference between the initial value and face value is the return earned by the investor. They are

the safest short term fixed income investments as they are backed by the Government of India.

# Commercial Papers

Large companies and businesses issue promissory notes to raise capital to meet short term business needs, known as Commercial Papers (CPs). These firms have a high credit rating, owing to which commercial papers are unsecured, with company’s credibility acting as security for the financial instrument. Corporates, primary dealers (PDs) and All-India Financial Institutions (FIs) can issue CPs.

CPs have a fixed maturity period ranging from 7 days to 270 days. However, investors can trade this instrument in the secondary market. They offer relatively higher returns compared to that from treasury bills.

# Certificates of Deposits (CD)

CDs are financial assets that are issued by banks and financial institutions. They offer fixed interest rate on the invested amount. The primary difference between a CD and a Fixed Deposit is that of the value of principal amount that can be invested. The former is issued for large sums of money ( 1 lakh or in multiples of 1 lakh thereafter).Because of the restriction on minimum investment amount, CDs are more popular amongst organizations than individuals who are looking to park their surplus for short term, and earn interest on the same.The maturity period of Certificates of Deposits ranges from 7 days to 1 year, if issued by banks. Other financial institutions can issue a CD with maturity ranging from 1 year to 3 years.

# Repurchase Agreements

Also known as repos or buybacks, Repurchase Agreements are a formal agreement between two parties, where one party sells a security to another, with the promise of buying it back at a later date from the buyer. It is also called a Sell-Buy transaction.

The seller buys the security at a predetermined time and amount which also includes the interest rate at which the buyer agreed to buy the security. The interest rate charged by the buyer for agreeing to buy the security is called Repo rate. Repos come-in handy

when the seller needs funds for short-term, s/he can just sell the securities and get the funds to dispose. The buyer gets an opportunity to earn decent returns on the invested money.

# Banker’s Acceptance

A financial instrument produced by an individual or a corporation, in the name of the bank is known as Banker’s Acceptance. It requires the issuer to pay the instrument holder a specified amount on a predetermined date, which ranges from 30 to 180 days, starting from the date of issue of the instrument. It is a secure financial instrument as the payment is guaranteed by a commercial bank.

Banker’s Acceptance is issued at a discounted price, and the actual price is paid to the holder at maturity. The difference between the two is the profit made by the investor.

# CAPITAL MARKET

The term capital market broadly defines the place where various entities trade different financial instruments. These venues may include the stock market, the bond market, and the currency and foreign exchange markets.

Capital markets are composed of the suppliers and users of funds. Suppliers include households and the institutions serving those— pension funds, life insurance companies, charitable foundations, and non-financial companies—that generate cash beyond their needs for investment. Users of funds include home and motor vehicle purchasers, non-financial companies, and governments financing infrastructure investment and operating expenses.

Capital markets are used to sell financial products such as equities and debt securities. Equities are stocks, which are ownership shares in a company. Debt securities, such as bonds, are interest-bearing IOUs.

These markets are divided into two different categories: primary markets—where new equity stock and bond issues are sold to investors—and [secondary markets](https://www.investopedia.com/terms/s/secondarymarket.asp), which trade existing securities. Capital markets are a crucial part of a functioning modern economy because they move money from the people who have it to those who need it for productive use.

# Capital Markets In India

The [capital market](https://www.toppr.com/guides/business-studies/financial-markets/capital-market/) provides the support to the system of capitalism of the country. The Securities and Exchange Board of India (SEBI), along with the Reserve Bank of India are the two regulatory authorities for Indian securities market, to protect investors and improve the microstructure of capital markets in India. With the increased application of information technology, the trading platforms of stock exchanges are accessible from anywhere in the country through their trading terminals.

# Role and importance of capital market in india

The capital market has a crucial significance to capital formation. For a speedy economic development, the adequate capital formation is necessary. The significance of capital market in [economic development](https://www.toppr.com/guides/general-awareness/economy/measures-of-economic-development-and-social-welfare/) is explained below,

# Mobilization of Savings and Acceleration of Capital Formation:

In developing countries like India, the importance of capital market is self-evident. In this market, various types of securities help to mobilize savings from various sectors of the population. The twin features of reasonable return and liquidity in stock exchange are definite incentives to the people to invest in securities. This accelerates the capital formation in the country.

# Raising Long-Term Capital

The existence of a stock exchange enables companies to raise permanent [capital](https://www.toppr.com/guides/business-laws/companies-act-2013/classification-of-capital/). The investors cannot commit their funds for a permanent period, but companies require funds permanently. The stock exchange resolves this dash of interests by offering an opportunity to investors to buy or sell their securities, while permanent capital with the company remains unaffected.

Promotion of Industrial Growth The stock exchange is a central market through which resources are transferred to the industrial sector of the economy. The existence of such an institution encourages people to invest in productive channels. Thus, it stimulates industrial growth and economic development of the country by mobilizing funds for investment in the corporate securities.

# Ready and Continuous Market

The stock exchange provides a central convenient place where buyers and sellers can easily purchase and sell securities. Easy marketability makes an investment in securities more liquid as compared to other assets.

# Technical Assistance

An important shortage faced by entrepreneurs in developing countries is technical assistance. By offering advisory services relating to the preparation of feasibility reports, identifying growth potential and training entrepreneurs in project management, the financial intermediaries in capital market play an importantrole.

# Reliable Guide to Performance

The capital market serves as a reliable guide to the performance and financial position of corporate, and thereby promotes efficiency

# Proper Channelization of Funds

The prevailing market price of a security and relative yield are the guiding factors for the people to channelize their funds in a particular company. This ensures effective utilization of funds in the public interest.

# STOCK EXCHANGE

A stock exchange is a facility where [stock brokers](https://en.m.wikipedia.org/wiki/Stockbroker) and [traders](https://en.m.wikipedia.org/wiki/Stock_trader) can buy and sell [securities,](https://en.m.wikipedia.org/wiki/Security_%28finance%29) such as [shares](https://en.m.wikipedia.org/wiki/Share_%28finance%29) of [stock](https://en.m.wikipedia.org/wiki/Stock) and [bonds](https://en.m.wikipedia.org/wiki/Bond_%28finance%29) and other financial instruments. Stock exchanges may also provide facilities for the issue and redemption of such securities and instruments and capital events including the payment of income and [dividends.](https://en.m.wikipedia.org/wiki/Dividend)[citation needed Securities traded on a stock exchange include stock issued by [listed companies](https://en.m.wikipedia.org/wiki/Listed_company), [unit trusts](https://en.m.wikipedia.org/wiki/Unit_trust), [derivatives](https://en.m.wikipedia.org/wiki/Derivative_%28finance%29), pooled investment products and [bonds.](https://en.m.wikipedia.org/wiki/Bond_%28finance%29) Stock exchanges often function as "continuous auction" markets with buyers and sellers consummating transactions via [open outcry](https://en.m.wikipedia.org/wiki/Open_outcry) at a central location such as the floor of the exchange or by using an [electronic trading platform](https://en.m.wikipedia.org/wiki/Electronic_trading_platform). To be able to trade a security on a certain stock exchange, the security must be [listed](https://en.m.wikipedia.org/wiki/Listing_%28finance%29) there. Usually, there is a central location at least for record keeping, but trade is increasingly less linked to a

physical place, as modern markets use [electronic communication networks](https://en.m.wikipedia.org/wiki/Electronic_communication_network), which give them advantages of increased speed and reduced cost of transactions. Trade on an exchange is restricted to brokers who are members of the exchange. In recent years, various other trading venues, such as electronic communication networks, [alternative](https://en.m.wikipedia.org/wiki/Alternative_trading_system) [trading](https://en.m.wikipedia.org/wiki/Alternative_trading_system) [systems](https://en.m.wikipedia.org/wiki/Alternative_trading_system) and "[dark pools](https://en.m.wikipedia.org/wiki/Dark_pool)" have taken much of the trading activity away traditional stock exchanges.

# MAJOR STOCK EXCHANGES IN INDIA

**Bombay Stock Exchange (BSE)**

Established in 1875, BSE is Asia’s first & the Fastest Stock Exchange in world with the speed of 6 microseconds and one of India’s leading exchange groups. Over the past 141 years, BSE, as the first stock exchange in Asia and the pioneer of securities transaction business, has facilitated the growth of the Indian corporate sector by providing it an efficient capital-raising platform. BSE provides a host of other services to capital market participants including risk management, clearing settlement, market data services and education. It has a global reach with customers around the world settlement, market data services and education. It has a global reach with customers around the world and a nation-wide presence. The vision of BSE is “Emerge as the premier Indian stock exchange with best-in-class global practice in technology, products innovation and customer service.”

# National Stock Exchange of India (NSE)

The National Stock Exchange (NSE), located in Mumbai, is the leading stock exchange in India and was the fourth largest in the world according to World Federation of Exchanges (WFE) in terms of equity trading volume in 2015. NSE began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995. NSE for the last 25 years has stood for reliability, expertise, innovation, and trust along with changing technology and Indian Economy. The vision of NSE is “To continue to be a leader, establish global presence, and facilitate the financial well-being of people.”

# Calcutta Stock Exchange Limited

Calcutta Stock Exchange (CSE) is located at the Lyons Range in Kolkata. It is the second oldest stock exchange in South Asia and was incorporated in 1908.

# India International Exchange (INDIA INX)

The India International Exchange (INX) is India’s first International Stock Exchange which is located at the International Financial Services Centre (IFSC), GIFT City in Gujarat. It is a wholly owned subsidiary of the Bombay Stock Exchange (BSE). It was inaugurated on 9 January 2017 and trading operations were scheduled to begin from 16 January 2017. It operates 22 hours a day & six days a week.

# COMPANY PROFILE OF HEDGE EQUITIES LTD.

Hedge Group has evolved from its humble beginnings in 2008, to a leading specialist in the financial services sector in Kerala. Hedge Equities Ltd. is a part of Hedge group of companies, which was establishedin 2008. It is one of the leading retail stock broking houses. The company provides wide range of services in capital market, wealth management, investment products as well as NBFC services. The company has also its online trading and investment site that is [www.hedgeequities.com.](http://www.hedgeequities.com/)

Hedge commodities was also established in 2008. In 2010 The Hedge group of companies started the Hedge School of Applied Economics, wealth management services, Ohri magazine (stock market magazine). In 15 February 2011, Hedge Finance Limited (HFL) was established. This company is focused on finance against shares and mutual funds, accompany the business of its parent company.

The company has a strong team with around 210 members who are exceptional expertise have knowledge with a proven track record. The company provides high quality services to their 50,000 clients in broking,2500 clients in wealth while they also managing an AUM of 1000 crore. In the NBFC segment, the company’s loan book stands at 100 crores and the primarily offer Loans against Securities- (LAS). In 2015 Hedge School of Applied economics got the KSAE (Kerala school of Applied Economics) accreditations. Itis the only Institute which got Government accreditations. Hedge Equities launched the mobile game known as“TORO e ORSO”. It is an Italian term for “Bull and Bear. The main objective of launching of this game isto educate young generation about the basics of stock trading. In the coming years the company committed to become the leading brand not only across Kerala but India as well. Hedge equities has 130 branches in India and branch in Dubai, UAE 18 branches in Kerala 1 branches in Andheri, Maharashtra.

# EVOLUTION OF THE COMPANY



**PROMOTORS**

**Alex K Babu (MD)-** Mr. Alex K Babu is the Founder, Chairman, and Managing Director of the Hedge Group of companies. Alex completed his mechanical Engineering in 2002 and he started his career joining his family business of sea food exports (Baby Marine Ventures). His keen business sense and a strong beliefin India’s long-term growth prospects led him to set up Hedge Equities in June 2008.

To nurture the investment culture in India, Alex started the ‘Hedge School of Applied Economics (HSAE)’in 2010. “Hedge Yuva”, it is a non –profit initiative through this Alex aspires to freely educate the youngsters to build them financially strong.

Mr. Alex is also an active member of the Young President Organization (YPO), a worldwide organizationwith over 18,000 business leaders in more than 100 countries.

**Vinay Sasidharan (COO)-** Mr. Vinay Sasidharan joined the wealth management services team in 2011,previously he worked as an Investment Manager for NRI clients. Mr. Vinay has built extensive working with wealthy families and institutions to develop and implement comprehensive investment strategies tomeet investment goals. Currently he holds oversight responsibility for wealth strategy, including International Wealth

management business, Family wealth Advisory, and Wealth and Estate Planning Group.

# Characteristics of the Industry

* The company belongs to Financial Service Industry- India has a diversified Finance sector and it expandsrapidly.
* It grows strongly in the existing financial sector as well as in the new entities entry in the market.
* Financial services mean the services provided by a financial Industry.
* The financial Industry is surrounded with wide range of organizations that deals with the management of money.
* These organizations are banks, credit card companies, insurance companies, consumer finance companies, stock brokerages, investment funds and some government sponsored enterprises.

# TYPES OF FINANCIAL SERVICES



**NATURE OF THE BUSINESS**

The company deals in B2C Business to customer services kind of services. It provides services like trade execution on BSE/NSE, wealth management services like active advisory, portfolio advisory, portfolio management, finger trade, online trading. The business of the company is completely service based.

Hedge equities is one of the leading financial services company in India, specialized in offering a wide range of financial products that suits to individual needs. From their inception, they have expanded their business all over India through their research, High brand awareness, Intellectual management extensive industry knowledge. Hedge believesin creating a new breed of investors who take judicious decisions through them.

# VISION OF THE COMPANY

**To Be Financial super market**

The capability of company clears the vision of ‘Evolving into a financial supermarket which will be a one shop for all financial solutions.

# MISSION OF THE COMPANY

Partnering with clients to build, manage, and growtheir wealth

To create a moral and supportable financial service platform for the customers and partner them to build business, to provide employees with meaningful work, self- development, andprogression, and to achieve a consistent and competitive growth in profits and earnings fortheir shareholders and staff.

# QUALITY POLICY

The quality policy of hedge is a promise to their customers to providethem an ethical and supportable financial service platform to serve and meet with customerneeds. They provide a meaningful and rewarding career to their employees.

# Advantages of hedge

* At Hedge Equities, the needs of the Customers stand before everything else.
* SEBI Registered Portfolio Manager with a dedicated Wealth Management Servicesdesk that aims to provide objective guidance tailored to meet each customer’s individual needs.
* Strong Research Team backed with best of breed data mining and analysis.
* Industry leading technology solutions that make portfolio administration simpler andcost effective.
* A Global Outlook blended with a Local Flavour and backed with a growing network of over 19 branches (18 in Kerala and 1 in Mumbai) and 250 qualified employees.
* The Trust and Goodwill of approx. 38,000 satisfied customers.
* Member of BSE, NSE, MCX, MCX-SX, NMCE, NCDEX and Depository participant in CDSL
* Rated as the top brand by the investor community of Asia net channel.
* Growing overseas presence with operations in Middle-East and an expanding presence in the European regions and North America

# BUSINESS VERTICAL

Hedge Finance

Hedge Portfolio Management Services

Wealth Management Services

Hedge Insurance

HEDGE

GROUPS Hedge Equities

Hedge School of

Hedge Applied

Commodities Economics

Hedge Ohari

**Hedge Equities**

Hedge Equities is the flagship company of the Hedge Group. The venture revolutionized and popularized share trading culture in Kerala. Today, Hedge Equities enjoys the patronage of approx.38,000 satisfied customers who are reaping the benefits of professionally managed portfolios.

# Hedge Commodities

Hedge Commodities offers a viable platform to engage in trading in agricultural and

non-agricultural commodities. The in-depth knowledge of the Indian and world markets helps their advisors to provide appropriate and timely assistance to the customers.

# Hedge School of Applied Economics

The dire dearth of qualified share trading professionals in Kerala is what prompted the Hedge Group to commence the Hedge School of Applied Economics. Present and potential stockbrokers are molded to international standards under the guidance of veteran financial experts. Live trading sessions and world class academic amenities are the highlights of Hedge School.

# Hedge Wealth Management Service (WMS)

The Premium Wealth Management Services (WMS) was introduced by Hedge Equities. The comprehensive financial package is intended at building, managing, and growing the wealth of the client. Service offerings of WMS include Portfolio Management Services (PMS), Portfolio Advisory Services (PAS), Mutual FundAdvisory (MFA), Commodities, Foreign Exchange, and Derivatives. A specialized team of SEBI registered portfolio managers and dealers furnish each investor with customized and research-oriented solutions to garner maximum possible returns.

# Hedge Finance

With the inspection of Hedge Finance , the Hedge group entered the prestigious NBFC market in India. The company adheres strictly to the RBI regulations and primarly focuses on the loan against security sector. Hedge Finance has huge growth potential and intends to diversify its services in the near future.

# MANAGEMENT TEAM-

Mr. Alex K Babu (M.D.)

Mr. Vinay Sasidharan (COO)

Mr. Benil Alexander (M.D. Hedge School) Mr. Swaroop (Marketing Dept.)

Ms. Anusree (Corporate Communication) Mr. Krishnan Thampi (Research & Advisory) Mr. Bobby Michael (Human Resources)

Mr. Shajan K S (WMS-Operations

# Branches (Branch Managers)

Mr. Justin Varkey (BDO) Mr. Sandeep Kumar OS (IT

Mr.BobyMichael (Administration)

Mr. Krishnan Chandran (Risk Management) Mr. Sajin Francis (Accounts)

Mr. Kesavadas (Depository /KYC)

Mr. Hareesh MV (Chief Investment Officer of Hedge Wealth Management &Advisory Services)

Mr. Jayachandran KK (Sr. Vice President)

Mr. Suraj Ramachandran (Chief Financial Officer) Ms. Mary T V (Assistant Vice President)

Ms. Aiswarya TK (Senior Manager, WMS- Operations) Mr. Divine Thomas (Manager)

# Ownership Patterns

Team Hedge is a balanced mix of more than 15 years’ experience cutting across various industries with a strong background in the financial markets. The board comprises of six power houses in their respective fields- FedEx Securities, Baby Marine Exports, Thakkar Developers, Smart Financial, SM Hedge (CFO, Videocon Industries) and Padma ShreeMohan Lal.

# FedEx Securities

Managed by a team of ex-bankers, FedEx is a SEBI registered category I merchant banker. The company concentrates on non-fund-based activities like structuring, tie up of project financing, financial restructuring, investment banking, corporate and advisory services. The core management team consists of bankers with rich experience of decades and exposure to volatile situations in commercial and investment banking. With offices at Nariman point and Vile Parle East, Mumbai, state of the art infrastructure and qualified manpower to conduct the business, FedEx Securities envisagesphenomenal growth in this sector of clients.

# Padma Shree Bharat Mohanlal

Mohanlal, the south Indian movie superstar has become a legend, a brand and cultural

ambassador owing to various factors. A multifacetedpersonality, he has some business ventures also which includes, Vismaya Max Film Post Production studio, college for dubbing artists at the Kinfra fil and video park, Trivandrum. Intellectual and knowledge arbitrage is the face of modern-day business. The same holds true for the financial markets.

# DEPARTMENTS

1. **Functional Departments (Customer Care Department)**

The client relation department assists the client or customer to open an account in Hedge equities. Thisdepartment is also known as the front office. A client has to open two types of accounts to trade and own securities in the NSE & BSE.

# Finance Department

A department to organize financial activities under the control of the board of directors. Finance manager will decide the major financialpolicy methods. Lower levels can delegate the other routine activities.

# Marketing Department

The major functions of marketing department are:

# Brand promotion

An important function of marketing department is to promote the name of the company. Hedge Equities do it through the different promotional activities. The name of Hedge Equities as a stock broking firm ismade known to the outside world.

# Business associate development

The company takes up the marketingactivities of the branches. It ensures an efficient marketing arena at its various branches. **Delivery promotion**

Intra-day trading is not always profitable and might involvea lot of risk. Hence, Hedge Equities promotes for delivery where the shares are kept being sold fora later date after analyzing the profitability factors.

# Investment promotion

The main clients of Hedge Equities were its investors. Hence the marketing department

tries to capture as many as possible to encourage them to invest. The company encourages better relations in its branches and promotes for the development of various marketing strategies.

# Systems Department

The system department is playing a vital role in the day to day operations of the company. It is through the systems department that the clients can avail the facilities of Internet trading. Optic fibre cables and high bandwidth connections from the Hedge Equities office to the ISP, a dedicated server and back- up ISDN connections were maintained directly by the systems department. For the purpose of trading they have made use of two software namely ODIN (Open DealersIntegrated Network).

# Human Resource Department

Human Resource is often considered as the back ofan organization even in this age of advanced automation & mechanization. Since virtual organizations even in this age of advanced automation & mechanization. Sincevirtual organizations are not very much popular in our part of the world, it is very important to any organization to have a HR department. The presence of an excellentHR department increases the efficiency of an organization considerably. Human Resource management is defined as asset of practices, policies and programmes designed to maximize both personal and organizational goals.

# Its major roles are:

* **Training & Induction**

The selected employees will undergo three days’ continuousinduction. During this period, he will undergo training with all the department of Hedge Equities. There will also be classroom induction also within three months.

# Wages & Salary Administration

The wages and salaries of the employees were fixed and granted by the HR department with consent of the finance department.

# Performance Appraisal

It was human resources department which gives the promotions to all employees, making transfers and taking disciplinary actions if needed.

# Grievance Handling

The grievances of the employees were received only through proper channels i.e., through the particular department heads. The HR department willmake us per the rules and regulations of the company.

# Trading Department

The department deals with the trading related activities of thecompany. The trading refers to the buying & selling of shares. This department is themost important part of the Organization. There are two types of trading. They are:

# online Trading

These are the trading terminal of the organization. Each computer of the department is termed as trading terminal. Each terminal is assignedwith NCFM certified dealers, who is in charge of each portal will do the trade according to the client request. The terminal is managed by either NEAT (NationalExchange for Automated trading) software or ODIN (Open Dealers Integrated Network) software. The client can also place his through written request or throughthe telephone, in this the order will be placed by the dealer.

# Internet Trading

The internet trading is a facility provides by the company in order to trade the securities from his convenient place like his office, home etc., the order will be placed by the client itself, and he can make changes before the trade is done for changing the price, cancellation of the order.

# Delivery & Depository Department

Delivery refers to the shares that bought on aparticular day are not sold on that day itself and holding of the shares for an appreciation in the value of the security and to trade it on a future date.

# Deliver instruction slip:

**i**t is a slip the client should fill and gave to the dealer regarding the purchase of the share. There are two procedures to move the shares namely:

# Power of Attorney-

This is which the client signs at the time of opening a tradingaccount and depository participant account. If the client has given the power of attorney, Hedge Equities Ltd

will have the power to transact the client’sstocks without pay-in slips.

# Easiest

it is secured internet enabled service which means ‘Electronic Access to Securities Information and Execution of Secured Transaction’. This is facility where in the clients can give delivery instructions via internet. Easiest is a facilityprovided by CDSL. The activities related with the depository department.

Depository function Dematerialization Pledging

# Equity Research Department-

The function of the department is to study the detailsregarding the share or security and to make predictions regarding the future performance of the company. The types of approaches done in the department.

Fundamental Analysis Technical Analysis

Macro-economic Analysis Derivative Analysis Currency Analysis Commodity Analysis



# SERVICE OFFERED

* **Online Trading**

Hedge equities has a large network of branches in the online segment of NSE and BSE and in the capital market and derivative segments. The clients have assurance that their order executed through phones and expert dealers of the company.

# Internet Trading

Hedge Equities has also offered to trade online through their websites. Anyone can trade through the internet from the office or home, or from anywhere in theworld.

# Depository Services

Hedge equities also offers trading for future and options segment of the National Stock Exchange (NSE). With the help of the present derivative trading an investor take a short term view on the market for up to a three month’s perspective by paying a small margin on the futures segment and a small premium in the options segment.

# Knowledge Centre

Knowledge centre are the activities that intended to provide systematic and structured services mainly to the new investors and also to young generationaiming for a career in financial markets.

# Equity Research

Hedge equities constantly strive to deliver insightful research to enable pro-active investment decisions. They are equipped with cutting-edge technologies for technical support which assist the technical analysts to predict both upside and downside movements efficiently for the benefit of the clients.

# Portfolio Management Services (PMS)

Hedge equity is a SEBI-approved portfolio manager offers discretionary and non- discretionary schemes to its clients. Hedge equitiesportfolio management team keeps track of the markets on a daily basis. Mergers and acquisitions are also taken care by Hedge Equities.

# Commodity Trading

Anyone can trade in futures like gold, silver, crude oil, rubber etc. And can take advantage of the extended trading hours (10 am to 11 pm) in commoditiestrading.

# Currency Trading

Currency derivatives can be described as contracts between the sellers and buyers, whose values are to be derived from the underlying assets, the currencyamounts.

# Hedge School of applied Economics

Hedge Equities Initiates Hedge School of Applied Economics with the main objective of moulding highly qualified investment professionalsin the state. Through the various activities of Hedge School, they facilitate the students, youths and new investor who wish to explore career as well as investment opportunities inthe sector.it offers a set of structured courses which enables the creativity to build a better career in the financial industry and take informed investment decisions.

# PRODUCTS

* **Ohari Magazine**

Hedge Ohari is a monthly finance magazine that provides its readers comprehensive knowledge and insight about the various aspects of financial planning andthe entire spectrum of investment and wealth creation method, that is stock market, mutual fund gold, real estate, bonds, banking and so on.

# Gateway to financial freedom

This is the program for investors that will quickly help to identify major investment options and effectively execute the investment choices and willwalk through the foundations of creating, executing, and maintaining the investment plan.

# Professionally managed

The invested fund is being managed by a professional who allocates and prepares a portfolio which consists of stocks, bonds, money market instruments or a combination of those.

# Fund Ownership

As an investor, one owns shares of the mutual fund, not the individual securities. Mutual funds permit the investor to invest small amounts ofmoney, how much you would like, but you can benefit from being involved in a large pool of cash invested by other people. All shareholders share in the fund gains and losses on an equal basis, proportionately to the amount they’ve invested.

# Mutual Fund

A mutual fund is kind of investment in which it uses money from many customers to invest in stocks, bonds or other type of investment. A fund manager decides how to invest the money for which he is paid a fee. Mutual funds are usually open ended which means new investor are able to join into the fund at any time. When this happen, new units are given to the investors. A mutual fund is professionally managed investment fund that pools money from many investors to purchase securities. The main advantage of mutual fund is that they provide stock diversification. There are structures namely open-ended fund, unit, investment trust and close end funds. Mutual funds are classified by their principal investment strategy that is money market funds, bonds or fixed income funds, stock or equity fund and hybrid funds. Fund may also be categorized as index funds, which are passively managed funds that match the performance of an index or actively managed funds that try to beat other indexes but charge higher fees. Investors in a mutual fund must pay mutual fund fees and expenses, which reduce funds returns and performance and are usually expressed in the form of an expense ratio. Passively managed funds, such as index funds generally have a lower expense ratio than actively managed funds. The types of securities that are particular fund may invest in are said forth in the fund’s prospectus, a legal document which describes the fund investment portfolio is continually monitored by the fund’s portfolio managers.

# Closed End Funds

A closed end fund has a fixed number of shares outstanding and operates for a fixed duration (Generally ranging from 3-15 years) the fund would be open for subscription only during a specified period and there is an even balance of buyers and sellers, so someone would have to be selling in order for you to be able to buy it

# Open End Funds

An open-end fund is one that is available for subscription all through the year and is not listed on the stock exchanges. The majority of mutual funds are open end funds Investors have the flexibility to buy or sell any part of their investment at any time at a price linked to the fund not asset value

Advantages of mutual funds

* Diversification
* Expert management
* Liquidity & affordability
* Convenience
* Reinvestment of income
* Range of Investment option and objectives

# Systematic Investment Plan (Sip)

Systematic investment plan is an investment plan offered by mutual fund to investors allowing them to invest small amount periodically instead of lump sum. The frequency of investment is usually weekly monthly or quarterly. In systematic investment plan affixed amount of money is debited by the investors in bank account periodically and invested in a specified mutual fund. The investor is allocated a number of units according to the current net asset value. Every time a sum is invested more units are added to the investors account. The strategy claims to free the investors from speculating in volatile market by dollar cost averaging SIP is flexible the investor may stop investing plan anytime or may choose to increase the investment amount. SIP is usually recommended to retail investors who do not have the resources to pursue active investment. SIP Investment is a good choice for investors who do not possess enough understanding of financial market.

Benefits of SIP

* Affordability
* Power overtime
* Reduce Risk
* Habit of saving
* Rupee cost averaging
* Power of compounding

# Shares

Shares are small pieces of company. Shares can be bought by human companies and mutual fund. when buying shares in a company the buyer owns a small part of that company. The price of a share can be based on many different things. The main thing that affect the price is the balance between supply and demand. Many buyers want to buy a stock when the price goes up. If there are more sellers than buyers the price goes down. The share is unit of account for various investments. It often means the stock of a corporation but is also used for collective investment such as mutual funds, limited partnership and real estate investment trusts. Corporation issue shares which are offered for sale to raise share capital. The two major types share are Ordinary Share (common stock) which entitle the shareholder to share in the earnings of the company as and when they occur and to vote at the company annual general meeting Preference shares which entitle the shareholder to a fixed periodic income do not give him or her voting rights.

# Debt Instrument

A debt instrument is a paper or an electronic obligation that enables the issuing party to raise funds by promising to repay a lender in accordance with terms of a contract. Types of debt instruments include notes, bonds, debentures, certificate, mortgages, leases or other agreement between a lender and a borrower. These instruments provide a way for market participants to easily transfer the ownership of debt obligation from one party to another. A debt instrument is a legally enforceable evidence of a financial debt and the promise of timely repayment of the principal plus any interest. The importance of a debt instrument is two fold First it makes the repayment of a debt legally enforceable second it increases the transferability of the obligation giving it increased liquidity and giving creditors a means of trading these obligations on the market. However, when a debt instrument is used as a trading means debt obligation can be moved from one party to another quickly & efficiently.

# Types of Debt Instruments

There are two types of debts instruments, which are as follows:

* 1. Long-term
	2. Medium & Short-term

# Long-Term Debt Instruments

The company uses these instruments for its growth, heavy investments, and future planning. These are those instruments which generally have a period of financing of more than 5 years. These instruments have a charge on the company’s assets and also bear an interest paid regularly.

# Debentures

A [debenture](https://www.wallstreetmojo.com/debentures/) is the most used and most accepted source of long-term financing by a company. These carry a [fixed Interest Rate](https://www.wallstreetmojo.com/fixed-interest-rate/) on the finance raised by the company through this mode of the debt instrument. These are raised for a minimum period of 5 years. Debenture forms part of the [capital structure](https://www.wallstreetmojo.com/capital-structure/) of the company but is not clubbed with [calculating share capital](https://www.wallstreetmojo.com/share-capital/) in the balance sheet.

# Bonds

Bonds are just like debentures, but the main difference is that bonds are used by the government, central bank & large companies, and also these are backed by securities, which means these have a charge over the company’s assets. These also have a fixed interest rate, and the minimum period is also at least 5 years.

# Long-Term Loans

It is another method that is used by companies to get loans from banks, [financial](https://www.wallstreetmojo.com/financial-institutions/) [institutions](https://www.wallstreetmojo.com/financial-institutions/). It is not as much a favorable option method of financing as the companies have to mortgage their assets to banks or financial institutions. And also, the Interest rates are too high as compared to Debentures.

# Mortgage

Under this option, the company can raise funds by mortgaging its assets with anyone either from other companies, individuals, banks, or financial institutions. These have a higher rate of interest in funding the companies. The interest of the party providing funds is secured as they have a charge over the asset being mortgaged.

# Medium & Short-Term Debt Instruments

These are those instruments which are generally used by the companies for their day to day activities and working capital requirements of the companies. The period of financing in this case of Instruments is generally less than 2-5 years. They don’t have any charge over the companies assets and also don’t have a high-interest liability on the companies. Examples are as follows:-

# Working capital loans

[Working capital loans](https://www.wallstreetmojo.com/working-capital-loan/) are the loans that are used by the companies for their day to day activities like clearing of creditors outstanding, payment for the rent of the premises, purchase of raw material, repairs of machinery. These have interest charges on the monthly limit used by the company during the month from the limit allowed by financial institutions.

# Short-term loans

Banks and financial institutions also finance these, but they do not charge interest monthly; they have a fixed rate of interest, but the period for funds transferred is for less than 5 years.

# Treasury bills

[Treasury bills](https://www.wallstreetmojo.com/what-are-treasury-bills/) are short-term debt instruments that mature within 12 months. They are redeemed at the maturity in full, and if sold before maturity, then they can be sold at a discounted price. The interest on these t-bills is covered in the issue price as they are issued at a premium and redeemed at [par value.](https://www.wallstreetmojo.com/par-value/)

# Commodity

A Commodity market is a physical or virtual marketplace for buying selling and trading raw or primary products and there are currently about 50 major commodity markets worldwide that facilitate investment trade in approximately 100 primary commodities. Commodities are split in to two types hard and soft commodities. Hard commodities are typically natural resources that must be mined or extracted (such as gold, rubber,

and oil), whereas soft commodities are agricultural products or livestock (such as corn, wheat, coffee, sugar, soybeans and pork).

# Currency

A business that allows customers to exchange one currency for another currency. A currency exchange may be stand-alone business or may be part of the services offered by a bank of other financial institution.

The currency exchange profits from its services either through adjusting the exchange rate or taking a commission. Foreign exchange also refers to the global market where currencies are traded virtually around the clock. The foreign exchange market is a global decentralized or over the counter market for the trading of currencies. This includes all aspects of buying selling and exchanging currencies at current or determined prices in terms of trading volume it is by far the largest market in the world followed by the credit market.

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# Fixed Deposit

A Fixed deposit is a financial instrument provided by banks which provides investors with a higher rate of interest than a regular saving account, until the given maturity date. It may or may not require the creation of an account. Term deposit in India are used to denote a larger class of investment with varying level of liquidity. The defining criteria for a fixed deposit is that the money cannot be withdrawn from the FD as compared to a recurring deposit or demand deposit before maturity.

# Features of Fixed Deposit

* **Secure investment**

Most market-led investments are subjected to changes over time. Conversely, Fixed Deposits are more secure and reliable. This is because the returns generated by FDs are

fixed. They are not affected by market volatility and remain static, at least for the investment tenure.

# Rate of interest

The rate of interest offered better depends upon your principal amount and chosen tenure. Typically, the interest rates are higher for long-term FDs and lower for short- term FDs.

* **Flexible tenure and renewal**

FDs can be held for tenures lasting for a week to 10 years. You can choose your preferred term at the time of opening the FD. You can just as conveniently renew the FD on maturity, but remember to check the interest rates, as they may be different.

# Tax deduction

The interest earned on the principal amount is subjected to a tax deduction under the Income Tax Act,1961. You can calculate FD interest income in the 'other income sources' category while filing your returns.

**Benefits of Fixed Deposit**

* + Fixed Deposits are safe instruments that offer fixed returns
	+ There is no risk in the principal amount invested.
	+ You can opt to receive the interest earned either periodically, i.e., monthly or quarterly or go with the cumulative method and receive a lump sum amount on maturity.
	+ Returns on Fixed Deposits are safe from market fluctuation.
	+ Most banks offer senior citizens a 0.5% higher interest rate on Fixed Deposits.
	+ You can also have the option to apply for a top-up loan against your Fixed Deposit in case you need funds.

# Saving Bank Account

A Saving account is a deposit account held at a retail bank that pays interest but cannot be used directly as money in the narrow sense of a medium of exchange (by writing a cheque) These accounts let customers set aside a portion of their liquidity asset while earning a monetary return in some jurisdictions deposit in savings account do not incur reserve. A savings account is an interest-bearing deposit account held at a bank or another financial institution that provides a modest interest rate Banks or financial institution may limit the number of withdrawals you can make from your savings account each month and they may charge fees unless you maintain a certain average monthly balance in the account.

**Benefits of Savings Account**

Having explained what is savings bank account, let us now examine its benefits. As a cash management tool, your Savings Account can facilitate you in multiple ways.

* **Prepares you for emergencies**

A Savings account is a good place to park money for emergencies. It has high liquidity coupled with high daily withdrawal limits, which means that you can withdraw cash anytime.

* **Safe with no cap on deposits**

Savings Accounts are highly safe and secure places to park your money. You can deposit any amount of money in your account without worrying about limits or caps.

* **Improves your finances**

A Savings Account rewards you for depositing money in the form of interest on savings. The interest is credited semi-annually or annually, depending on the type of savings account you have.

* **Easy account opening**

Today, it is very easy to open a Savings Account. You can open an account online from the comfort of your home simply by filling a form, submitting scanned copies of your

documents, and completing a quick EKYC process. You no longer need to visit a bank to open the account.

* **World of facilities**

Most saving accounts come with a debit ATM card for easy cash withdrawals, giving you access to cashback and reward points. Moreover, you can order demand drafts, open Recurring Deposits and [Fixed Deposits](https://www.dbs.com/digibank/in/deposit/deposit-type/fixed-deposit), and make inter and intra-bank transfers with net banking facilities.

* **Easy access to savings**

As a highly liquid account, a Savings Account keeps you better prepared to meet emergency needs. You can withdraw cash anytime, with high daily withdrawal limits on your debit card. Moreover, there is no withdrawal limit if you choose to withdraw cash physically from the bank branch.

* **Discounts on bank lockers**

An added benefit of Savings Accounts holders is that they get discounts on bank lockers rentals for maintaining a minimum quarterly balance.

**Features of savings bank account**

* deposit any amount of money as often as you like without worrying about any limits or caps on deposits.
* For cash transactions exceeding INR 50, 000, you have to provide your Permanent Account Number (PAN) details mandatorily.
* Your deposits in Savings Account earn interest annually or semi-annually, with interest rates as high as 6% interest on deposits.
* You can easily order cheque books, debit, and credit cards directly through your internet-banking enabled savings account, to your home address.
* A few Savings Accounts come with the zero balance facility, i.e. you are not required to maintain a minimum deposit in the account.

**Types of Savings Accounts**

Primarily, there are five types of Savings Accounts. They are as under:

* **Regular Savings Account**

A Regular Savings Account empowers you to deposit money at your convenience. Interest is paid every month on the balances maintained in the account but is credited annually or semi-annually. You are required to maintain a prescribed minimum amount of balance in the Savings Account, failing which you will have to pay the penalty levied by the bank. You get all the basic facilities like a free cheque book, passbook, ATM card, etc., with your Regular Savings Account.

* **Salary Savings Account**

Generally, employers create salary Savings Accounts for employees. The key benefit of a salary account is the no minimum balance requirement feature, which is why it is also known as a zero balance account. If no salary gets credited to the account for three consecutive months, this salary account will be auto-converted into a Regular Savings

Account. As such, you will have to comply with the rules of a regular account and maintain the minimum balance required.

* **Senior Citizen Savings Account**

This account is specially designed for senior citizen account holders and comes with certain extra benefits. Prominently, it offers higher interest rates on the savings parked. Also, there is usually no minimum balance requirement. Account-holders can also link this account to their pension funds.

* **Savings Account for Children**

A Savings Account for children is like a regular Savings Account but without any average balance requirement. You can open this account for your children. The minor should be named as the primary account holder, while you, as the parent or guardian, can serve as the joint holder. Note that once the minor turns 18, the Savings account for children is converted into a Regular Savings Account.

* **Savings Accounts for Women**

Designed especially for women, and to encourage them to open their own accounts, the Savings Account for Women come with a host of facilities. These include high daily ATM withdrawal limits and [debit card](https://www.dbs.com/digibank/in/cards/debit-cards/digibank-debit-card) transactions at retail outlets. Women may also get slightly higher interest on their deposits, along with extra reward points, shopping discounts and more, with this account.

Advantages of a savings account

* A Minimum amount has to be kept on saving account to keep it functioning
* No loan facility is provided against savings account
* Promote savings
* Savings account of continuing nature. There is no maximum period of holding
* The money can be withdrawn either by cheque or withdrawal slip of the respective bank
* Withdrawal are allowed subject to certain restriction

# Post Office Savings

Portal saving system provide depositors who do not have access to banks, a safe and convenient method to save money. Many nations have operated banking system involving post office to promote saving money among the poor. The India post payment bank (IPPB) has been recently incorporated as a public limited company under the department of post with 100% GOI Equity. IPPB will offer demand deposit such as saving and current account up to a balance of Rs 1 Lac digitally enabled payment and remittance service of all kind between entities and individuals and also provide access to third party financial services such as insurance, mutual fund, pension, credit products, forex and more in partnership with insurance companies, mutual fund houses, pension providers ,banks, international money transfer organizations etc.

# COMPETITORS

Hedge equities has great competition in the ever-growing financial sector which provides the similar type of services, and the leading companies are listedbelow:

# Motilal Oswal

It is a subsidiary company of Motilal Oswal Financial service Limited which is a diversified service company offers a range of financial productsand services such as Wealth Management, commodity broking, currency broking and home finance. The company has huge network of 1,900 local branch offices inover 500 cities within India.

# Geojit

Geojit Tech. was established in the year 2000. It has almost 90 employees and it headquarter in cochin. It has additional branch in Dubai. The company offersEquities, Derivatives, Mutual Funds, Life & General Insurance, third party Fixed Deposits, Portfolio Management services and Wealth Management.

# Reliance Securities-

Reliance Securities is the broking company of Reliance Capital Group of Anil Ambani. Brokerage company offers services to trade in equities, derivatives, currency, IPOs, Mutual Funds, Bonds, and corporate FDs. Ithas a huge network through branches across all over India and has around 7 lakh customer bases.

# Karvy

Karvy corporate was established in the year 1983 and is now headed by Mr. C Parthasarathy as Chairman. The group has more than 16,000 employees, expanded 900 offices in about 400 cities and towns. The company has it’s headquartered in Hyderabad.

# Share Khan

**i**t is an online website portal for online trading, investments and stock marketing. The company was founded in the year 2000 by entrepreneur Shripal. Ithas its branches over 575 cities in India.

# Kotak Mahindra Mutual Fund

Kotak Mahindra Mutual Fund is a part of the financial services giant Kotak Mahindra Group. Established in 1985, Kotak Mahindra Group is one of India’s leading financial

services. The group offers a wide range of financial services that surrounded every sphere of life, for commercial banking, to stock broking, mutual funds, life insurance and investmentbanking. The Group has a wide distribution network through branches and franchises across India.

# CORPORATE SOCIAL RESPONSIBILITY

Being a responsible corporate citizen, Hedge Equities has initiated a non-profit movement, “Hedge Yuva & Hedge school of Applied Economics (HSAE)” which focuses on educating masses about stock market. The movement has also formulated various scholarship programs for young and dynamic youth.

# PRODUCTS OF HEDGE

Types of Investment Products

Hedge work closely with all their clients to prepare investment strategies that match with their risk profile and recommend asset classes after determining the volatility and risk return profile for the same. The team is acts as a one-stop access gateway to a wide range of products and backs it up with in-depth research and operational efficiencies. Some of the products that get included in client portfolios are:

* Direct Equities
* Mutual Funds
* Liquidity Management Solutions
* Commodities
* Insurance
* Loans and Services
* Derivatives – Futures and Options
* Structured products
* Fixed Income Products
* Estate Planning Products
* Retirement Planning Products
* Hedge school of economics

# INTRODUCTION

A literature review is a comprehensive summary of previous research on a topic. The literature review surveys scholarly articles, books, and other sources relevant to a particular area of research. The review should enumerate, describe, summarize, objectively evaluate and clarify this previous research. It should give a theoretical base for the research and help you (the author) determine the nature of your research. The literature review acknowledges the work of previous researchers, and in so doing, assures the reader that your work has been well conceived. It is assumed that by mentioning a previous work in the field of study, that the author has read, evaluated, and assimilated that work into the work at hand. Review of literature shows the previous studies carried out by the researcher in this field. Previous studies are reviewed in order to gain insight into extent of research. The research problem can be more understood and made specific referring to theories, reports, records and other information made in similar studies. This will provide the researcher with the knowledge on what lines the study should proceed and serves to narrow the problem.

The objective of my project is to study the customers of financial products and financial services using in Kerala.

K Karthikeyan, S Bharath, & K Ranjith (May 2012)- Researcher carried out the study with the aim to measure the investors perception towards mutual fund product through bank. Financial markets are constantly becoming more efficient by providing more promising solution to the investors. Thus, it is high time to understand & analyse investors perception & expectation & unveil some extremely valuable information to support financial decision making of mutual funds. It will help in devising further strategies for the tier 2 cities in India to cross sell mutual fund.

Bahram Adrangi et.al (2013) have studied on the market behavior following the liberalization of the banking sector in a transition economy such as India and pointed that evidence of asymmetric market response to negative and positive shocks. It is surprising that the Indian market responds to shocks in the development markets, it is noteworthy that

shocks in the Indian market have induced a response in the development markets in recent years.

Gaurav Agrawal, Dr. Minijain (Oct-Dec 2013) -The study found out that looking from different perspective it is also indent that the overall & main criterion of the investors regarding their investment is return. Therefore, on the basis of safety, bank, & LIC are the most preferred avenues of investment as it provides maximum safety. On the basis of return, real estate & mutual funds are the most preferred avenues of investment as it provides max return. Similarly, on the basis of Tax planning, post office schemes & mutual funds are the most preferred avenues of investment.

Therefore, the preference is given to the investment in mutual funds amidst availability of other traditional investment avenues in the market. Lastly if the investors have been provided more funds then they would like to invest in real estate because of its rapid growth. Therefore, on the whole it may be concluded that real estate is the most preferred investment avenue of the investors of Mathura.

Dr Geeta Raj Oct (2013) -The researcher carried out the study with the aim to measure the customer perception towards various types of mutual funds. It focusses its attention towards the possibilities of measuring the expectations & satisfaction level of more mutual fund products. It also aims to suggest technique to improve present level of perception. The researcher found out that mutual fund companies help investors by providing them with a qualified fund manager increasingly in India. Fund manager are acquiring global certification like CFA & MBA which help them be at the cutting edge of the knowledge in the inverting world. Since mutual fund company collect money from millions of investors, they achieve economic of scale. The cost of running a mutual fund is divided between a larger pool of money & hence mutual fund are able to offer the investor a lower cost alternative of managing their fund.

Prof Gauri Prabhu, Dr NH Vechalekar (2014) conducted a study on perception of Indian investors towards investment in mutual fund with special reference to MIP (Monthly income Plan) Funds. For the purpose of study, they collected data from individual mutual

fund investors. The study revealed that awareness age income level of investors return etc has impact on the selection of mutual fund. Investors are also aware about MIP Funds and here they invest only on the basis of consistent return.

R Uthayasankar, K Maran (2018) -This paper makes an attempt to identify various factors affecting perception of investors regarding investment in mutual funds. The findings will helpful to identify the investors interest base & factors clearly & it reveals that the investors consider mutual fund as flexible investment option & it creates interest of investment among small investors.

Walia & Kiran (2019) - In their study investigated the problems encountered by investors with due to unprofessional services of mutual funds. The study found that majority of individual investors doesn’t consider mutual fund as highly risky investment. In fact, on a ranking scale it is consider to be on higher side when compared with other financial avenues. The study also reported that significant relationship of interdependence exits between income level of investors & their perception for investment return from mutual fund investment.

Haley (1968) is of the view that customer satisfaction reflects their perception of benefit, and hence segmentation based on benefit is ideal. Therefore, we can segment customers by their degree of satisfaction.

Consumer buying motive is an inner drive of the customer to buy a product to satisfy a need or want. Savings motive is the drive of the customer to financially prepare for the future the family is one among the potent group for the consumer buying decision and number of members in a family can influence the consumer.

Kiran and Dhawan [2015] have carried out a study to understand the impact of family size on savings of industrial worker. The study witnessed that an increasing number of family members lead to decreasing savings ratio. The average monthly savings of families with more than three members were lower than that of small family groups.

The first stage in consumer decision making starts with problem recognition. The consumer may have a need or want which tries to satisfy.

Goyal and Sharma [2014] tried to identify needs or objectives of investment. The study found out that 22 percent investor wanted to set aside their money for the higher education of their children. The future is uncertain and 22 percent of respondents preferred to park their money to absorb the financial stocks such as medical care for serious illness or accidents etc. The study revealed that 19 percent of the respondents invested money to achieve to purchase assets such as a house, car etc and 18 percent invested money for wealth maximization and only 15 percent interested in retirement planning. The security of the investments and rate of return were the most prominent factors influenced affected the investment decision. When it comes to avenues of investment, 43 percent of respondents would like to invest in real estate followed by the bank. The share market/mutual funds were the least desirable investment avenues among investors of the class.

The impact of social influence and financial literacy on the savings behaviour of students were studied by Jamal et al., [2015]. The outcomes of the study pointed out that both family and peers had a significant influence on the young adults’ savings behaviour. Another factor which impacted savings behaviour was financial literacy.

Fisher and Among [2012] analysed the co-relationship between saving motives and saving habits. This study was based on Katona [1975] psychological classification of saving, which classified savers into regular (discretionary) savers, irregular (residual) savers, or non-savers. The study pointed out that respondents who had motives to save for emergency and retirement were the most important predictors of saving behaviour for discretionary regular savers or residual irregular savers when compared with the not saving group. However, only the motives for the retirement made a major effect on the regular savers compared with irregular saver.

Rengarajan et al., [2016] analysed the influence of demographic variables on saving behaviour of rural households. The hypothesis set for the study was that there was no significant difference in demographic variables and savings behaviour of rural households. It was inferred that most of the demographic factors like age, gender, income, marital status had influenced the savings decisions. However, the education of the investors didn’t have much influence on savings decisions.Younger professionals are said to be high materialistic and they are fond of new gadgets and enjoy hanging out and eating from outside. Some parents complain that young millennials are living beyond their means and don’t save much compared to earlier generations.

Bhushan and Medury [2013] examined the effect of financial literacy on the investment behaviour of salaried people. The population taken for the study was salaried individuals at Himachal Pradesh who were remitting income tax. It was found that 95 percent of the respondents has awareness about bank deposits. However, when it comes to new kind of financial assets, only 6.9 percent of respondents were aware of bonds and awareness level of commodities was only two percent. The study found out that respondents having low financial literacy primarily invested in traditional and safe investment products.

Nunez et al., [2012] found out most of the respondents don’t have capability and knowledge to take the financial decision. They created a questionnaire to check the knowledge on basic financial concepts such as simple interest, compound interest, diversification and impact of inflation. Individuals perceive their knowledge of basic financial concepts to be low with a mean of three only from the maximum score of

Lusardi [2008] examined the literacy level of retirement plan among United States population. The study gave an insight that financial illiteracy was widespread in the US and revealed higher financial illiteracy is found on certain demographic groups which having low education such as Hispanics, African - Americans. The study also identified most individuals with very low financial literacy won’t take the assistance of specialists or financial advisors to guide investment decisions.

Mullock and Turcotte [2012] tried to assess the financial knowledge of Canadians and assessed the retirement planning decisions. They developed a quiz containing 14- questions to test the financial knowledge and the average score of the quiz was 61 percent. The study revealed that respondents who had a high score on the financial literacy quiz had a high probability of planning for retirement goals. It also found that the impact of financial awareness programs on savings for retirement was prominent among the low and middle-income groups. The study suggested the widespread implementation of financial literacy programs to increase the savings for retirement. A corporate bond is issued by a company to the public with an objective of raising capital for its various business needs.

Gwalani and Bharati [2015] did a study to understand the awareness of corporate bonds among retail investors in India. The data from 500 samples were chosen by means of simple random sampling. It was inferred from the study that 64 percent of the retail investors didn’t have awareness about corporate bonds and 50 percent of respondents who were aware of corporate bonds invested in corporate bonds. The study suggested to create more awareness level of corporate bonds and in order to attract the investors, the tax benefits should be clubbed with corporate bonds. An emergency fund is a fund set aside for absorbing any future temporary financial loss such as job loss, medical expenses, accidents etc. Financial planners strongly advocate the necessity of maintaining emergency funds.

Babiarz and Robb [2014] did a research to find the impact of financial literacy on emergency savings behaviour of investors. The amount that is equal to 3 months expenses was considered as emergency savings for the study. The results revealed that households who were having high financial literacy had a more positive significance towards emergency funds.

SEBI [2015b] have done a very exhaustive study on financial literacy and savings pattern of Indians. The study found out that 32 percent of urban investors have participated in investment awareness program conducted by either government or a private company. In case of options for choosing grievance redressal mechanism, more

than 50 percent choose to approach SEBI. The study provided evidence that Newspapers are the key source of information regarding awareness programs since it has most visibility. However, 84 percent of surveyed respondents pointed out that SEBI’s e orts to publicize securities markets policies need improvement. Managing cash and tracking of monthly income and expenses is a good habit to learn which helps an individual to achieve financial success. Consumer Financial Protection Bureau identified the following four elements in consumer financial well-being

* + 1. Having control over day to day expenses, tracking of monthly budgets
		2. Financial capability to manage emergencies
		3. Tracking of future financial goals
		4. Financial freedom to make choices which allows them to enjoy life

Bindu [2017] attempted to analyse the investment pattern of college teachers in Kerala. The main characteristics of this market segment are permanent nature of the job, high income and highly educated with minimum qualification required for college teachers was post-graduation and National Eligibility Test (NET). The study found that respondents prefer safer investments with 100 percent of the respondents had savings in the Public provident fund, 88 percent had savings in the bank. Despite having high education and high income, respondents did not favour invested risky investments such as shares with only 4 percent opted to invest in direct stocks and shares. The major influencing factors for investment were liquidity, high returns capital appreciation, and a tax benefit. Interestingly safety of the investments had no significance influencing factors of investment. There was no further research done to point out the reason for investing in safer investments despite high returns and capital appreciation was a significant factor for investments. The participation of investors towards share market in India is not very encouraging.

Kavitha [2015] did a research to analyse the attitude of Indian investors towards stock market. The variables analysed for the study were attitude towards the stock market, awareness about equity-related investments, and the macro environment which influences stock price movements. The results bring to notice that there was a significant influence of the attitude, awareness, and environment towards the stock

market investments. The additional factors such as profession, education, family influence, social factor etc. which could influence the stock market investments were not taken into account in this study.

Arora and Gupta [2017] analysed the savings pattern of individual taxpayers towards tax saving instruments. The study found that even though a large number of tax savings instruments exists in the market, 88 percent of respondents invested in life insurance. Life insurance policies are primarily considered as a vehicle for covering risk. The study pointed out there was low awareness about various tax savings schemes in India. There was no noteworthy difference between investor’s annual tax liability and level of investments.

Ramanathan and Sundaram [2015] did a study to analyse the investment inclinations of bank employees. The study observed that despite bank employees exposed to different financial concepts and services, their preference was towards investments in safer and risk-free investments. The respondents who were risk averse were interested to invest only in life insurance policies. Increase in income was a significant predator for an increase in the savings. The most important objective of the investment was tax planning followed by asset creation. Another interesting finding was males preferred life insurance policies for investment whereas females had more interest towards gold and jewellery.

Padmaja [2013] did an analysis of consumer behaviour towards mutual funds’ investments. The study found awareness level of mutual funds was very less. With regard to the type of mutual funds, 65 percent of investors chose equity funds, 24 percent opted for balanced funds and the remaining 11 percent investors opted for debt funds. SBI Magnum Tax Gain scheme was the most preferred tax saving mutual funds. The investors who were in between 20-30 years of age were more open to mutual funds. Investors prefer to risk-free investment as age increases. The study suggested creating awareness and advertisement campaigns to popularize the mutual funds in India.

Praba [2016] attempted to know the preference and impact of demographic factors on investment decisions. The relationship between demographic factors such as gender, age, education, occupation, income, savings, family size and elements involved in investment such as maturity, the source of information, and frequency of investments were done. The decision of investor on the risky situation was considered as the independent variable and demographic factors were taken as dependent variables. The investors didn’t feel stock investment as very risky. Males had better risk appetite than women. The young investors perceived less risk perception towards equity than old age investors. The study was able to prove that there was a significant connection between risk and investor’s investment decision.

Brown *et al.,* [2016] done a study to understand spending habits and their emotional responses to spending on purchases by consumers with high materialism and low materialism. Analysis of the study found that despite the same income, consumers with high materialism made more impulsive purchases and spent more money on necessities than consumers with low materialism. Even though spending a high amount on purchases, consumers with high materialism had more post-purchase dissonance. Some consumer’s purchases goods or services under the impulsion without thinking much and planning in advance. The emotions and feelings of the moment are the decisive factors in the purchase. This kind of impulsive purchase behaviour may reduce the savings of consumers.

Camilleri and Ellul [2016] conducted a study to find out the reasons for the selection and changing of a financial service provider. This study was conducted among first- year students of the University of Malta. Primary data by way of a questionnaire was collected from 345 students who were aged above 18 years. The study identified that bank reputation and recommendations from family or acquaintances rank amongst the top factors while selecting a bank. Interestingly only 5.4 percent of respondents mentioned that discounted fees as a criterion for a selection of the bank. The prominent reason for switching to another bank was customer service and also influenced by tangible features of a product such as features, interest rates, fees etc. Non-switchers

were more receptive to the intangible features such as reputation and recommendation from other friends.

Sindhu and Rajitha [2014] conducted a study to find out the relationship between risk perception of the investors in the Kerala State and their investment decisions in mutual funds. A primary data by way questionnaire designed to understand the risk perception was gathered from 300 mutual funds investors in Kerala. The study found that mutual fund investors in Kerala were aware of the concept of higher risk higher return and they also understood diversifying the mutual fund portfolio reduce the risk in Investments. Risk perception is the individual assessment of a risk in a particular investment. Demographic variables of the consumer such as gender, age and education can affect the risk perception.

Bhavani and Shetty [2017] in their study picked demographic factors such as gender, age, income, education, and occupation to understand its influence on investment choices. The various investment avenues taken into consideration was equity, mutual funds, and life insurance policy and bank deposits. The analysis of study revealed that the demographic variables and perceptions significantly affects investment choice. There was a relationship between the age and choice of a mutual fund as an investment choice. Male preferred mutual funds than a female investor. Bank deposits were preferred by women. The results of other independent demographic variables on investment choices such as equity, mutual funds, life insurance policy and bank deposits were also studied. The findings proved that bank deposits were dependent on age, gender, and occupation except for education. Mutual funds were dependent on age, gender, and occupation and education. In the case of equities, age, gender and occupation were significant but not education. All independent variables had an influence on the choice of life insurance policy. Risk is generally explained as a probability of loss. In investments, risk is a probability of earning a lower rate of return than expected while looking to maximizing gain from a portfolio. However, the term risk is interpreted in different ways by different people. Many people perceive the word

"risk" as a negative inference and some people view risk as an opportunity. So perceiving risk involves psychological element also.

Singh [2016] in their studies viewed that risk perception of investors makes an influence towards their investment in mutual fund. Primary data by way of the questionnaire was administrated on 262 bank employees from Tripura. Risk perception of investors can be categorized into high-risk takers, moderate-risk taker, and low-risk takers. The study found there was an inverse connection between risk perception of investors and investment in mutual funds. The investors who had a high level of risk perception was either not investing or investing in small amounts in mutual funds.

Velmurugan *et al.,* [2015] did an observation on the perception of investors’ to various investment avenues. Primary data by using questionnaire was collected from 121 investors in Vellore District, Tamil Nadu. Analysis of the research found out that respondents who were aged and having high income preferred to invest in bank deposits and post office schemes because of less perception of risk. There were no much differences between male and female with regard to risk perception. There are different factors such as socioeconomic, demographic factors can influence an investor to take risks in investments.

Gumus and Dayioglu [2014] in their research choose demographic variables such as age, gender, educational background, marital status, and profession. The study used the actual data of transactions made on shares and stock done by 100 investors selected by using simple random sampling method for a period of two years at stockbroker based out of Istanbul, Turkey. They observed that all the demographic variables considered for the study except marital status had a major influence on the perceived risk of the investors.

# THEORETICAL FRAME WORK Customer perception

Customer perception is the way the audience feels about a business. It’s a certain opinion they’ve formed after a few interactions with a company. To be more specific, it is defined as a process by which consumers sense marketing stimuli, organize, interpret, and provide meaning to it.

Customer perception is an individual’s appreciation of a product or service provided or marketed to him. This term can be seen as a process that starts when the consumer or potential consumer receives information about a product and ends when he builds an opinion or judgment of it.

Companies try to influence consumer perception by making impressions that aim to persuade them towards their services. The objective might be to attract new customers, retain the current ones or increase sales per customer. With a defined purpose, a firm can apply only one or a combination of different marketing techniques such as advertising, promotions, samples, social media and public relations, among others in order to have valuable inputs that helps them design techniques, messages and channels that are assumed to influence customer’s perception.

Marketing departments should try to identify previously the most relevant elements that are inducing purchasing decisions. Certainly, enhancing customer’s perception is a complex process that can change from one individual to another. Elements such as price, quality and benefits are appreciated uniquely in every customer.

# Nature and characteristics of customer perception

* Perception comprises three components, namely the perceiver, the target (stimulus), and the situation. The characteristics of each of these components influence the perceptual processes of selection, organization, and interpretation. The consumer, actual or prospective, is the perceiver, the 4 Ps are the target, and the buying occasion and the surrounding environment are the situation.
* Perception is a complex process. After a stimulus is detected by the sense organs,

the perceptual process comes into play and involves the interplay of three processes, namely selection, organization, and interpretation. In this way, perception is a dynamic process.

* Perception is also an intellectual process, as it involves a lot of cognitive effort. Once sensation takes place, the cognitive processes take over and assign meaning to the stimulus. Consumers possess varying cognitive capacities and capabilities; their backgrounds are diverse, and psychological processes (needs, motivation, learning, attitudes, and values) and sociological factors (culture, sub-culture, and social class) are different. The cognitive processes have a bearing on not only the perceptual mechanism, but also on the resultant output and the behavioural response of the perceiver.
* Perception is broad in nature. It includes a physiological component (through sensation), as well as cognitive, sociological, and psychological components.
* Perception is a subjective process, as it is unique to each person. Two consumers who are exposed to a particular stimulus may perceive it differently. While they are exposed to the same marketing stimulus, the manner in which they select, organize, and interpret it is different.

# Stages of customer perception

Engaging with customers at scale not only brings organizations closer to understanding their customers, but it helps develop customer empathy across the business. With these objectives in mind, organizations can understand the phases of the customer perception process.

# Sensing:

Characterized by the physical senses, customers use this stage to accumulate ‘knowledge’ about a product, service, or brand through physical sensations such as visual impressions, touch, sounds, and tastes.

# Organizing:

During this stage, customers make sense of the information they’ve attained,

interpreting its value based on context, personal beliefs, perceptions of themselves, and other highly subjective factors. At this stage, customers will categorize the object of their critique and compare it to other objects within their chosen categories. For example, a consumer hoping to buy a winter coat may prioritize coats by price, but also color and thickness, during the organizing stage.

# Reacting:

Customers will act based upon the sensing and organizing stages; in addition, they are influenced by internal and external stimuli ranging from personal history to online reviews. Although each reaction and its contributing factors are different, buyers tend to experience similar processes of evaluation before making their decision.

# INTRODUCTION

One definition of research is used by the OECD, "Any creative systematic activity undertaken in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this knowledge to devise new applications." Research Methodology is "'a contextual framework' for studies, a coherent and logical scheme primarily based totally on views, beliefs, and values, that publications the picks researchers [or other users] make". It obliges the hypothetical assessment of the edge of procedures and thoughts identified with a branch of skill to such an extent that the philosophies recruited from contrasting controls range depending on their antiquated turn of events. This makes a continuum of strategies that reach all through contending understandings of how ability and the truth are fantastic perceived.

This arranges systems inside general methods of reasoning and procedures. System can be envisioned as a range from a transcendently quantitative strategy toward a dominatingly subjective method. Albeit a procedure can likewise moreover routinely sit down fundamentally inside this kind of strategies, scientists can likewise also combination procedures in noting their examinations targets thus have philosophies that are multimethod and additionally interdisciplinary. In general, a procedure does now at this point don't have down to bring to the table arrangements it's miles accordingly, presently not, at this point like a strategy. All things being equal, a strategy gives a hypothetical viewpoint for data which technique, set of methodologies, or astounding practices might be completed to the investigations questions close by. Research has been described in some of distinctive ways, and even as there are similarities, there does now no longer look like a single, all- encompassing definition this is embraced via way of means of all who have interaction in it. Research in not unusual place parlance refers to a look for understanding. Once also can outline studies as a systematic and systematic look for pertinent records on a selected topic.

# RESEARCH DESIGN

The conceptual framework in which research is carried out is known as research design. It serves as a plan for data gathering, measurement, and analysis. The study method is defined by the research design. After the formulation of the research problem, the research design is created.

**Descriptive research** is the method used in this study. Descriptive research is a sort of fact-gathering research. It is commonly used in research in the physical, natural, and social sciences. The primary goal of descriptive research is to provide a description of the current situation.

# POPULATION

Population refers to the entire number of people that are the subjects/respondents of the study. The population here is that the customers of financial products and financial services using in Kerala.

# SAMPLING

Sampling is the process of selecting a sample from the entire population. Convenience sampling was used to select the sample. In this project, the researcher selected Convenience sampling because the population is large. Sample Design is a method of collecting data in which information is collected from a small portion of the total population.

# Convenience sampling

Convenience sampling is a sampling method that uses participants who are most conveniently available. This sort of sample is usually biased. It most likely does not fit the correct definition of random sample, where everyone in the population has an equal chance of being selected. Since it does not truly represent the population, it is limited when it comes to generalization. Valid inferences about the large groups

cannot be made based on the results drawn from the convenience samples. Convenience sampling is a non-probability method, which may be appropriate when a researcher wants to get a gross approximation of the truth, while avoiding the time and cost of a random sample.

# SAMPLE SIZE

Sample size is a small group of 196 samples taken under consideration. This small group represents the total population. As it is impossible to approach all respondents, a Sample was selected which represents whole population.

# DATA COLLECTION

The task of data collection begins after a research problem has been defined and research design is chalked out.

# Primary data

Primary data are those data which are collected for the first time. Primary data can be obtained either through observation or through direct communication. In this sample, a sample survey was used for collecting the primary data. The primary data is collected by using an online questionnaire method.

# Data Collection Tool

The tool used for data collection is through online questionnaire. It consists of a number of statements which express whether a positive or negative attitude towards the object of interest.

# STATISTICAL TREATMENT

Statistical treatment means the tool or technique that is used for analyzing and interpreting the data. Through this researcher can do an easy study on data collected by him and make the interpretation. The statistical treatment used for the interpretation are:

# Percentage analysis

Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 percentage) for better understanding of collected data. Percentage analysis is applied to create a contingency table from the frequency distribution and represent the collected data for better understanding.

# SOFTWARE USED FOR THE STUDY

This project research used the MS Excel in order to analyze the data and find out conclusions.

# MS Excel

MS Excel Microsoft Excel is a spreadsheet programmed that is available for Windows, Mac OS X, and iOS. It includes calculating, graphing tools, pivot tables, and Visual Basic for Applications, a macro programming language. It has become the industry standard for spreadsheets for these systems, notably after version 5 in 1993, when it superseded Lotus 1-2-3 as the industry standard. Excel forms part of Microsoft Office.

# 4.1 INTRODUCTION

The process of analysing, cleaning, manipulating, and modelling data with the objective of identifying usable information, drawing conclusions, and assisting decision-making is known as data analysis. Data analysis includes several dimensions and approaches, including a wide range of techniques in various business, science, and social science disciplines under various names. Cleaning, converting, and modelling data to identify usable information for business decision-making is defined as data analysis. Data analysis' goal is to extract usable information from data and make decisions based on that knowledge. The process of examining data using analytical and logical reasoning to investigate each component of the data presented is known as data analysis. Data is obtained from a variety of sources, examined, and then analysed to arrive at some sort of conclusion or findings. Data mining, text analytics, business intelligence, and data visualization are only a few examples of various data analysis methods. The precise and appropriate analysis of study findings is a critical component of ensuring data integrity. Data analysis is the most important aspect of any study. The data analysis process summarizes the information gathered. It entails the use of analytical and logical reasoning to data in order to identify patterns, correlations, and trends. Data analysis is a technique that is used to analyse the acquired data after all of the data has been collected. The type of data analysis tool employed is determined by the data type. The completed questionnaire was edited for completeness and consistency before being processed. The information was then coded to allow the responses to be categorized. The data in this study were analysed using percentage analysis and graphical representation. The information gathered was tabulated and then converted to percentages. The percentage is then represented graphically using graphs such as bar charts. Finally, based on the tabulated data and graph, conclusions are drawn.

# Table 4.1 Frequency distribution based on Gender of respondents

|  |  |  |
| --- | --- | --- |
| **Gender** | **Frequency** | **Percentage** |
| Male | 110 | 57.1 |
| Female | 86 | 42.9 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.1 Gender of respondents

60 57.1

50

42.9

40

30

20

10

0

Male Female

**Interpretation:**

The above table shows the majority of the respondents are male that is 56% and 44% of respondents are female.

# Table 4.2 Frequency distribution showing age of respondents

|  |  |  |
| --- | --- | --- |
| **Age** | **Frequency** | **Percentage** |
| Below 20 | 6 | 3.1 |
| 21 - 30 | 113 | 57.7 |
| 31 - 40 | 25 | 12.7 |
| Above 40 | 52 | 26.5 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.2 Age of respondents

70

60

 57.7

50

40

30

 ~~26.5~~

20

12.7

10

3.1

0

Below 20

21 - 30

31 - 40

Above 40

**Interpretation:**

Here the table shows that 57.7% of the respondents are between 21-30, 26.5% are above 40, 12.7% are 31 –40 and 3.1% of the respondents are below 20.

# Table 4.3 Frequency distribution based on Marital status of respondents

|  |  |  |
| --- | --- | --- |
| **Marital status** | **Frequency** | **Percentage** |
| Married | 112 | 57.1 |
| Unmarried | 84 | 42.9 |
| **Total** | **196** | **100** |

Source: Primary Data

**Figure 4.3 Marital status**

**Unmarried 42.9**

**Married 57.1**

# Interpretation:

Out of the total 196 responses received, 112 respondents were married and 84 respondents were unmarried.

# Table 4.4 Educational qualification of respondents

|  |  |  |
| --- | --- | --- |
| **Qualification** | **Frequency** | **Percentage** |
| High school | 11 | 5.6 |
| Diploma | 8 | 4.1 |
| Graduation | 110 | 56.1 |
| Post-Graduation | 67 | 34.2 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.4 Educational qualification of respondents

60

56.1

50

40

34.2

30

20

10

5.6

4.1

0

High school

Diploma

Graduation

Post-Graduation

**Interpretation:**

From the data we received more than half holding Graduation showed positive response in investing in financial products compared to holders of High school and Post- Graduation. We did not receive response from PhD holders in this regard.

# Table 4.5 Monthly income of respondents

|  |  |  |
| --- | --- | --- |
| **Monthly Income** | **Frequency** | **Percentage** |
| Less Than 20000 | 94 | 48 |
| 20000 - 30000 | 23 | 11.7 |
| 30000 - 40000 | 13 | 6.6 |
| 40000 - 50000 | 8 | 4 |
| Above 50000 | 58 | 29.6 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.5 Monthly income of respondents

60

50

 48

40

29.6

30

20

11.7

10

6.6

4

0

Less Than 20000 20000 - 30000

30000 - 40000

40000 - 50000

Above 50000

**Interpretation**:

In data we received about 48% respondents had monthly income less than ₹20,000. About 11.7% received between the range 20000-30000. About 29.6% received above 50000.

# Table 4.6 Habit of savings of respondents

|  |  |  |
| --- | --- | --- |
| **Option** | **Frequency** | **Percentage** |
| Yes | 172 | 87.6 |
| No | 24 | 12.4 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.6 Habit of saving

**No, 12.4**

**Yes, 87.6**

**Interpretation:**

From the recent survey we can see a significant majority have a habit of savings compared to a very small portion of people with only 12.4% who do not have habit of savings.

# Table 4.7 How much income you are saved

|  |  |  |
| --- | --- | --- |
| **Option** | **Frequency** | **Respondents** |
| 5 – 10% | 125 | 63.8 |
| 10 – 15% | 41 | 20.9 |
| 15 – 20% | 14 | 7.1 |
| Above 20% | 16 | 8.2 |
| **Total** | **196** | **100** |

Source: primary data

# Figure 4.7 Income savings

70

63.8

60

50

40

30

20.9

20

10

 7.1 8.2

0

5 – 10%

10 – 15%

15 – 20%

Above 20%

**Interpretation:**

The table showing more than one third of population save about 5% -10% and about one third of people have habit of savings more than 10% of their salary. A significant number of people with 20.9% save 10 -15% of their salary and a very small fraction of people save 15 – 20%.

# Table 4.8 How much do you spend on necessities

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| 60 – 70% | 147 | 75 |
| 70 – 80% | 34 | 17.3 |
| 80 – 90% | 10 | 5.1 |
| 90 – 100% | 5 | 2.6 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.8 Spending on necessities

80

75

70

60

50

40

30

20

17.3

10

5.1

2.6

0

60 – 70%

70 – 80%

80 – 90%

90 – 100%

**Interpretation:**

We can see a large fraction of people spending on their necessities with 60%-70%. Compared to a small fraction of people spending 90 - 100%. A significant number of people spend about 70%-80% on their necessities. We see moderate number of people spending on their necessities 80 - 90%.

# Table 4.9 Which type of financial institution is the primary provider of financial product and financial services

|  |  |  |
| --- | --- | --- |
| **Financial Institution** | **Frequency** | **Percentage** |
| Bank | 173 | 88.3 |
| Brokering firms | 7 | 3.6 |
| Non- BankingFinancial company | 2 | 1 |
| Individual financialadvisor | 2 | 1 |
| All of the above | 12 | 6.1 |
| **Total** | **196** | **100** |

Sources: Primary Data

# Figure 4.9 Primary provider of financial product and financial services

100

90

80

70

60

50

40

30

20

10

0

88.3

3.6

1

1

6.1

Bank Brokering firms Non- Banking

Financial company

Individual financial

advisor

All of the above

**Interpretation:**

From the data we received a large portion of people with 88.3% believe in investing in banks compared to other financial institutions as they are safe and give considerable returns. Moderate number of people invest in all the financial institutions and about 1% invest in NBFC and individual financial advisor. Surprisingly very few with 3.6% invest through broking firms due to increased cost brokerage.

# Table 4.10 Most influenced factor while choosing the provider of financial products and financial services

|  |  |  |
| --- | --- | --- |
| **Factor** | **Frequency** | **Percentage** |
| Recommendationfrom Friend | 47 | 24 |
| Location of TheFacility | 67 | 34.2 |
| Quality of TheService | 132 | 67.3 |
| Price of The Product | 58 | 29.6 |
| Co- Worker | 1 | 0.5 |
| Advertisement | 10 | 5.1 |
| None of The Above | 17 | 8.7 |

Source: Primary Data

# Figure 4.10 Influencing factor

None Of The Above

8.7

Advertisement

5.1

Co- Worker 0.5

Price Of The Product

29.6

Quality Of The Service

67.3

Location Of The Facility

34.2

Recommendation From Friend

24

0

10

20

30

40

50

60

70

80

**Interpretation**:

From the data we received we observe that significant rise in intermediaries and their services and about 67.3% of people invest with their recommendations depending on their credibility. A very small portion of people invest though advertisements and about 0.5% invest through recommendations from co-worker and a moderate number of people about 24% invest through recommendations from friend, 34.2% invest through location facility and 29.6% invest through the price of the product.

# Table 4.11 Most important objective to invest in a financial product and financial services

|  |  |  |
| --- | --- | --- |
| **Option** | **Frequency** | **Percentage** |
| Wealth creation | 114 | 58.2 |
| Retirement | 12 | 6.1 |
| Children education | 16 | 8.2 |
| Wealth preserving | 10 | 5.1 |
| Tax saving | 6 | 3.1 |
| All of the above | 38 | 19.4 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.11 Objective to invest in financial product and financial services

70

60

50

40

30

20

10

0

58.2

19.4

6.1

8.2

5.1

3.1

Wealth creation Retirement Children

education

Wealth

preserving

Tax saving All of the above

**Interpretation:**

From the data we received we observe that a significant number of people invest having objective for all of the above 19.4% and wealth preservation with 5.1%. A moderate number of people invest with 3.1% in tax saving schemes and 6.1% long-term perspective in retirement plans. About 8.2% of people invest in children’s education. And a large portion of people with 58.2% believe in diversifying their investment in wealth creation investments.

# Table 4.12 The level of risk you wish to take on investing in financial product and financial services

|  |  |  |
| --- | --- | --- |
| **Option** | **Frequency** | **Percentage** |
| High | 21 | 10.7 |
| Moderate | 130 | 66.3 |
| Low | 45 | 23 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.12 Level of risk

70 ~~66.3~~

60

50

40

30

23

20

10.7

10

0

High Moderate Low

**Interpretation:**

From the survey we observe a large portion of respondents, roughly 66.3% people invest in financial products with moderate risks. Very small portion of people with only 10.7% invest in financial products with high risk like equity. A significant number of people invest in financial products having moderate risk with only 23%.

# Table 4.13 How long you have been associated with the financial product and financial services

|  |  |  |
| --- | --- | --- |
| **Duration** | **Frequency** | **Percentage** |
| Less Than 3 Years | 147 | 75 |
| 3 – 5 Years | 18 | 9.2 |
| 5 – 10 Years | 14 | 7.1 |
| More Than 10Years | 17 | 8.7 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.13 Duration for investing in financial product and financial services

80 ~~75~~

70

60

50

40

30

20

9.2

10

7.1

8.7

0

Less Than 3 Years

3 – 5 Years

5 – 10 Years

More Than 10 Years

**Interpretation:**

From the data we received a large number of people with 75% recently entered the investment market and are associated with financial products for less than 3 years. Very few numbers of people with 8.7% had long term perspective for more than 10 years. And moderate number of people associated between 3-10 years with 16.3%.

# Table 4.14 Financial services avail from Hedge Equities

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Currency | 147 | 75 |
| Mutual Fund | 69 | 35.2 |
| Equity | 22 | 11.2 |
| Equity Linked SavingsScheme | 3 | 1.5 |
| Exchange Traded Fund | 5 | 2.6 |
| Insurance | 79 | 40.3 |
| Non - ConvertibleDebentures | 1 | 0.5 |
| All of The Above | 41 | 20.9 |

Source: Primary Data

# Figure 4.14 financial services avail from Hedge Equities

All of The Above

Non - Convertible Debentures

Insurance Exchange Traded Fund

Equity Linked Savings Scheme

Equity

Mutual Fund Currency

20.9

0.5

40.3

2.6

1.5

11.2

35.2

75

0

10

20

30

40

50

60

70

80

**Interpretation:**

From the recent survey we received we observe a large number of people believe in significant return from the forex market and avail services regarding the same from financial service providers. 40.3% people believe to indemnify their risk against unforeseeable future loss and take services from insurance providers 35.2% people intake services from mutual fund service providers. About 11.2% people take services of broking agent to invest in equity and few people with 2.6% take services for investments in electronic traded fund.

# Table 4.15 Which financial product will be used for retirement

|  |  |  |
| --- | --- | --- |
| **options** | **Frequency** | **Percentage** |
| Bank | 144 | 73.5 |
| Insurance | 25 | 12.8 |
| Mutual fund | 21 | 10.7 |
| Equity | 4 | 2 |
| Equity LinkedSavings Scheme | 2 | 1 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.16 Financial product used for retirement

80

73.5

70

60

50

40

30

20

12.8

10.7

10

2

1

0

Bank

Insurance

Mutual fund

Equity

Equity Linked

Savings Scheme

**Interpretation:**

A significant number of people with 73.5% believe in investing in bank for their retirement. Moderate number of people with 12.8% investment in financial products like health insurance. Few people with 10.7% people invest in mutual fund with long term perspective and very few people with 1% people find equity linked savings scheme and equity beneficial for their retirement.

# Table 4.16 Which financial product you will use your children’s education

|  |  |  |
| --- | --- | --- |
| **Financial products** | **Frequency** | **Percentage** |
| Bank | 146 | 74.5 |
| Insurance | 24 | 12.2 |
| Mutual fund | 23 | 11.7 |
| Equity | 2 | 1 |
| Equity Linked SavingsScheme | 1 | .6 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.16 Financial products will used for children’s education

80 ~~74.5~~

70

60

50

40

30

20

12.2

11.7

10

1

0.6

0

Bank

Insurance

Mutual fund

Equity

Equity Linked

Savings Scheme

**Interpretation:**

A large number of people invest in bank with 74.5% for their children’s higher education compared to very few people who show interest in saving through ELSS for the purpose of children’s education.1% of people invest in equity taking risk expecting higher returns. About 11.7% invest in insurance and remaining 12.2% invest through insurance covers.

# Table 4.17 Do you agree the statement “I prefer financial product which will double money within a period of two years”

|  |  |  |
| --- | --- | --- |
| **Option** | **Frequency** | **Percentage** |
| Highly agree | 7 | 3.6 |
| Agree | 30 | 15.3 |
| Neutral | 69 | 35.2 |
| Disagree | 84 | 42.8 |
| Highly disagree | 6 | 3.1 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.17 Do you agree financial product which will double money within a period

45 ~~42.8~~

40

35.2

35

30

25

20

15

10

5

0

Highly agree Agree Neutral Disagree Highly disagree

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  3.1  |
|  |  |
|  |  |
| 15.3 |  |
|  |  |  |  |
|  3.6  |  |  |
|  |  |

**Interpretation:**

We see 42.8% of people are not willing to risk in order to receive higher returns on contrary to remaining 35.2% people who are willing to take moderate risk and 15.3% people risk to receive high returns.

# Table 4.18 Preferred mode of investment

|  |  |  |
| --- | --- | --- |
| **Option** | **Frequency** | **Percentage** |
| Online | 109 | 55.6 |
| Mobile | 42 | 21.4 |
| Direct visit | 45 | 23 |
| **Total** | **196** | **100** |

Source: Primary Data

# Figure 4.18 Preferred mode of investment

60

55.6

50

40

30

21.4

23

20

10

0

Online

Mobile

Direct visit

**Interpretation:**

The above data shows the recent developments made global market the wide range of services provided online about 55.6% use the online mode and 21.4% use through mobile phones for investing and making online transactions compared to remaining 23% who prefer directly vising the centre.

# INTRODUCTION

The discussion chapter is where you delve into the meaning, importance and relevance of your results. It should focus on explaining and evaluating what you found, showing how it relates to your literature review and research questions, and making an argument in support of your overall conclusion. The purpose of the discussion is to interpret and describe the significance of your findings in light of what was already known about the research problem being investigated, and to explain any new understanding or fresh insights about the problem after you've taken the findings into consideration. The discussion will always connect to the introduction by way of the research questions or hypotheses you posed and the literature you reviewed, but it does not simply repeat or rearrange the introduction; the discussion should always explain how your study has moved the reader's understanding of the research problem forward from where you left them at the end of the introduction. This section is often considered the most important part of a research paper because it most effectively demonstrates your ability as a researcher to think critically about an issue, to develop creative solutions to problems based on the findings, and to formulate a deeper, more profound understanding of the research problem you are studying.

The discussion section is where you explore the underlying meaning of your research, it’s possible implications in other areas of study, and the possible improvements that can be made in order to further develop the concerns of your research. This part of the paper is not strictly governed by objective reporting of information but, rather, it is where you can engage in creative thinking about issues through evidence-based interpretation of findings. This is where you infuse your results with meaning. When you discuss the study results, you relate your study findings to previous studies; you contextualize the contribution of your study. As for having them as sections in a research paper, that depends on what a researcher wants to communicate. Some researchers would present study results first before discussing the study findings. This strategy allows a researcher to focus on presenting the study results only in conjunction with the research questions and/or objectives. Other researchers would prefer to combine presentation of study results with discussion given that both are closely connected.

# FINDINGS

The following details can be inferred after analysis with a sample size of 196, by questionnaire method to find out the customer perception various financial products and services in Kerala with special references to Hedge Equities Ltd

* + - Most of the respondents were from the age group of 21 – 30
		- Most of the respondents (56.1%) are graduate showing positive response financial products and financial services
		- Majority of the respondents have a habit of saving.
		- Majority of the respondents save 5-10% of their saving.
		- Majority of the respondents spending on their necessities with 60-70% & a small fraction of people spending 90-100%.
		- Majority of people with 88.3% believe in investing in banks compared to other financial institution as they are safe & give considerable return.
		- Mostly 40% of the respondent has a main objective to invest in a financial product and financial services that it generates more income.
		- Majority of the respondents (66.3%) invest in financial products with moderate risk.
		- Majority of the respondents (67.3%) influenced by the quality of services.
		- Majority of the respondents (75%) recently entered the investment market and are associated with financial product for less than 3 years.
		- Majority of the respondents (73.5%) believe in investing in bank for their retirement.
		- Most of the respondents (74.5%) invest for their children’s education
		- Most of the respondents (55.6%) use wide ranges of services provided online

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# SUGGESTIONS

* Majority of the respondents claim that they associate with currency investment along with Hedge Equities, which is a clear indicator of the need of more training programs to be conducted to make them understand the benefits of other financial products, hence the company should more focus on cross selling.
* A large amount of investors still think saving in a bank will help them to meet their children education needs and their retirement corpus which is not correct as the money parked in a bank will not attract growth overcoming inflation
* Making investors aware about the need of goal based investments will be good for them to take an informed decision.
* Company should focus on arranging more literacy sessions and make investors more aware about the financial products and financial services as well as making them understand the difference between savings and investment.

# LIMITATION

* + - The present study focused only the general aspects of financial products and financial services. The in-depth analysis on each financial products and services was not included.

# CONCLUSION

The project entitled “A study on customer perception on various financial products and services in Kerala with special reference to Hedge Equities Ltd” is research topic and 196 samples were collected. In present world customers cannot be made satisfied with just care and courtesy, they expect concern and commitment. Therefore, customer centric approach is the need of hour. The product or the services must be according to the perception of the customer so that the providers can retain their customers by providing customized service or the product accordingly. The perception of the consumers changes from time to time and is unpredictable. Therefore, there is an urgent

need to study and implement modern strategies to be able to serve better in future. There have been greater regulatory reforms in Indian capital market that demand due diligence and higher standards of reporting. Thus, taking care of consumer needs.

The objective of the study to find out the customer perception on various financial products and financial services and to understand the income, savings and spending habits among customers of financial products and financial services. Based on the suggestion company should focus on arranging more literacy sessions and make investors more aware about the financial products and financial services as well as making them understand the difference between savings and investment.

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# QUESTIONNAIRE

**A STUDY ON CUSTOMER PERCEPTION ON VARIOUS FINANCIAL PRODUCTS AND SERVICES IN KERALA WITH SPECIAL REFERENCE TO HEDGE EQUITIES LTD**

Name:

1. Gender of the respondents
	* Male
	* Female
2. Age of the respondents
	* Below 20
	* 21 - 30
	* 30 – 40
	* Above 40
3. Marital status of respondents
	* Married
	* Unmarried
4. Educational qualification of respondents
	* High School
	* Diploma
	* Graduation
	* Post-Graduation
5. Monthly Income of respondents
	* Less than 20000
	* 20000 – 30000
	* 30000 – 40000
	* 40000 – 50000
	* Above 50000
6. Do you have habit of saving?
	* Yes
	* No
7. How much income you are saved?
	* 5 – 10%
	* 10 – 15%
	* 15 – 20%
	* Above 20%
8. How much you spend on your necessities?
	* 60 – 70%
	* 70 – 80%
	* 80 – 90%
	* 90 – 100%
9. Which type of financial institution is your primary provider of financial product and financial services
	* Bank
	* Brokering Firms
	* Non – Banking Financial Company
	* Individual Financial Advisor
	* All of the above
10. Which is your most influenced factor while choosing the provider of financial product and financial services
	* Recommendation from a friend or associate
	* Location of the facility
	* Quality of the service
	* Price of the product
	* Co-worker
	* Advertisement
	* None of above
11. Which is your most important objective to invest in a financial product and financial services
	* Wealth creation
	* Retirement
	* Children education
	* Wealth Preserving
	* Tax savings
	* All of above
12. The level of risk you wish to take on investing in financial product and financial services
	* High
	* Medium
	* Low
13. How long you have been invested in any financial product and financial services
	* Less than 3 years
	* 3 - 5 Years
	* 5 – 10 Years
	* More than 10 Years
14. The financial services you avail from your provider
	* Currency
	* Mutual Fund
	* Equity
	* Equity Linked Savings Scheme
	* Exchange Traded Fund
	* Insurance
	* Non – Convertible Debentures
	* All of above
15. Which one of the financial products you will use for your retirement?
	* Bank
	* Insurance
	* Mutual Fund
	* Equity
	* Equity Linked Savings Scheme
16. Which one of the financial products you will use your children’s education?
	* Bank
	* Insurance
	* Mutual fund
	* Equity Linked Savings Scheme
17. Do you agree the statement “I prefer financial product which will double money within a product of two years”
	* Highly agree
	* Agree
	* Neutral
	* Disagree
	* Highly disagree
18. What is your preferred mode of investment?
	* Online
	* Mobile
	* Direct visit